

The Compensation Commissioner for Occupational Diseases in Mines and Works

Annual Performance Plan for the 2022/23 Financial Year

March 2022

Executive Authority Statement by the Minister of Health



The Compensation Commissioner for Occupational Diseases in Mines and Works (CCOD) has submitted the financial statements for the 2019/20 and 2020/21 financial years to the Auditor-General of South Africa. The annual report for the 2017/18 year has been submitted to parliament in December 2021 and the financial statements for the 2018/19 and 2019/20 financial years have been finalised.

The Mines and Works Compensation Fund paid on average 432 claimants per month totalling R107,8 million for the 9 months to 31 December 2021, compared to an average of 435 claimants per month totalling R141,2 million in the comparative period in the previous year. The Certification Committees of the Medical Bureau for Occupational Diseases (MBOD) adjudicated on average 486 certifications per month for the 9 months to 31 December 2021, compared to 1,378 certifications per month in the comparative period in the previous year. 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. 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 2021, 109 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 the mines and works.

This Annual Performance Plan reflects the performance targets for the 2022/23 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 report of the Mines and Works Compensation Fund for 2021/22 financial year to the Auditor-General of South Africa.

Dr MJ Phaahla (MP)
Executive Authority, Minister of Health, RSA
Date: 12/03/2022

Accounting Officer Statement

The CCOD 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 Mines and Works Compensation Fund and payments for Benefit Medical Examinations and certifications.

This Annual Performance Plan reflects the performance targets for the CCOD for the 2022/23 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);
- The maintenance of the database of controlled mines and works;
- Enhancing the claims management system; and
- The submission of the annual report of the Mines and Works Compensation Fund for the 2021/22 financial year to the Auditor-General of South Africa.

The 2021/22 annual reports will be submitted to the Auditor-General of South Africa in the 2022/23 financial year. The actuary has completed the actuarial valuation of the Mines and Works Compensation Fund as at 31 March 2021. Levies on controlled mines and works and benefits payable to claimants will be adjusted from 1 April 2022 based on the current actuarial valuation of the Mines and Works Compensation Fund.

There was a decrease in the payment of claims at the CCOD as at 31 December 2021. 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 2021, the CCOD paid 3,884 claimants R107 million with 39% going to claimants in neighbouring countries and 4,377 certifications were done by the Medical Bureau for Occupational Diseases. The Compensation Fund continued to pay monthly pensions to 30 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 handled about 3170 calls per month for the period ending 31 December 2021.

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 2022/23 financial year.

Dr MB Kistnasamy
Compensation Commissioner

Signature: _____

Ms T Mama
Deputy Compensation Commissioner (Acting)

Signature: _____

Mr M Maswanganye
Director: Finance

Signature: _____

Dr N Mtshali
Director: MBOD

Signature: _____

Mr A Venter
Chief Financial Officer (Acting)

Approved by:

Dr MJ Phaahla (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 ODMWA prescribes that the Minister of Health shall appoint, an officer to be styled the Compensation Commissioner for Occupational Diseases. 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 ODWMA 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.

Protection of Personal Information Act, No. 4 of 2013
It sets some conditions for responsible parties (called controllers in other jurisdictions) to lawfully process the personal information of data subjects (both natural and juristic persons).

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 spilt between the Department of Health and the Department of Employment and Labour. The ODMWA 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 proposal is for the legal reform to cover a fully functional public entity incorporating the fund, its administration and services to current and ex-workers in mines and works.

The planned initiatives over the period 2021/22 to 2024/25 includes:

- Making a submission to the Director-General of the National Department of Health on amendments to the ODWMA.
- Ensuring the effective and efficient management of the CCOD through collection of levies, certifications and payment of claims.

A4. Relevant court rulings

None

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 pensions are increased annually and is done in line with the general increases as determined by the minister 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 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 R69,247.
- 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 R154,193.
- 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 April 2021.

The support of the Minerals Council South Africa 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, and payment of claims.

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 968 operations linked to gazetted locations as at December 2021. The Risk Committee is still not functioning optimally.

The 2018/19 and 2019/20 annual financial statements have been signed-off by the Auditor-General of South Africa and will be presented to parliament in the 2022/23 Financial Year (FY). The 2020/21 report is currently being audited by the Auditor-General of South Africa and the 2021/22 report will be submitted to the Auditor-General in the 2022/23 FY. The actuaries have completed the valuation of the Mines and Works Compensation Fund as at 31 March 2021.

The management interventions over the period 2021/22 to 2024/25 are as follows:

- Submission to the Director-General of Health on amendments to the ODMWA;
- Maintenance of the database covering 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 Mines and Works Compensation Fund received a qualified audit opinion for the 2018/19 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
- Ms Thembisa Mama as Deputy Compensation Commissioner (Acting)
- Mr Mishack Maswanganye as the Director: Finance
- Dr Nhlanhla Mtshali as the Director: MBOD (Seconded)

The personnel distribution as at 31 July 2021 was as follows:

Table 1: Distribution of Posts at the CCOD as at 31 July 2021

Designation	Level	No. of Posts	Filled	Vacant
Commissioner	14	1	1	0
Director	13	2	1	1
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	0	1
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	21	17	4
Switchboard operator	4	1	1	0
Cleaner	3	1	0	1
Messenger	3	1	1	0
Total		**46**	**35**	**11**

Whilst the CCOD is capacitated at 76%, these are mainly administrative posts and there are an inadequate number of posts for specialised personnel within the CCOD. The specialised technical and 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 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 2021	Medium-term Targets		
		2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
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	Legal team began drafting of amendments to ODMWA and one virtual consultative workshop was held with mining companies and trade unions	The State Attorney noted that ODMWA needs scrapping in entirely and consideration be given to intergration of the compensation system or phased intergration or rewriting ODMWA and possibility of a public entity model	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	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 months April to December 2021. External data exchange from the CCMS system was updated during quarter three.	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 twice a quarter
	2.2 Report on the number of certifications finalised on the Mineworkers Compensation System per year	10 305	13 874	13 084	4 377	13 200	14 100	15 000
	2.3 Report on the number of benefit payments made by the CCOD (other than pension payments)	New Indicator	New Indicator	4 212	3 884	7 600	8 100	8 600
	2.4 Report on the number of claims finalised by the CCOD (other than pensioners)	9 382	7 291	5 354	5 054	8 470	9 035	9 600
	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	82%	92%	70%	80%	90%
	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	70% of controlled mines and works paying levies to the CCOD	65% of controlled mines and works paying levies to the CCOD	82% 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 2021	Medium-term Targets		
		2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
	2.7 Report on the submission of annual reports of the CCOD to the Auditor General of South Africa	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 and 2018/19 annual reports to the Auditor-General of South Africa	Submission of the 2019/20 and 2020/21 annual financial statements 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	Submission of the 2023/24 annual report to the Auditor-General of South Africa
	2.8 Report on the number of controlled mines and works inspected	106	81	41	109	77	77	77

C3. Output indicators: annual and quarterly targets

Output Indicator	Reporting Period	Annual Target 2022/23	Quarterly Targets			
			1st	2nd	3rd	4th
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	Finalise draft of amendments to ODMWA. 1 workshop with the stakeholders and role-players involved with ODMWA	--	--	--
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 7th of the next month. External data exchange updates and/or additions to the master database once a quarter	Monthly updates for March 2022, April 2022 and May 2022 to the master database for payments made, new claims and new certifications before the 7th of the next month. One external data exchange update and/or additions to the master database in the quarter	Monthly updates for June 2022, July 2022 and August 2022 to the master database for payments made, new claims and new certifications before the 7th of the next month. One external data exchange update and/or additions to the master database in the quarter	Monthly updates for September 2022, October 2022 and November 2022 to the master database for payments made, new claims and new certifications before the 7th of the next month. One external data exchange update and/or additions to the master database in the quarter	Monthly updates for December 2022, January 2023 and February 2023 to the master database for payments made, new claims and new certifications before the 7th 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	13 200	4 300	4 300	2 300	2 300
2.3 Report on the number of benefit payments made by the CCOD (other than pension payments)	Quarterly	7 600	2 300	2 300	1 500	1 500
2.4 Report on the number of claims finalised by the CCOD (other than pensioners)	Quarterly	8 470	2 600	2 600	1 635	1 635
2.5 Of all claims finalised in the period, what percentage were finalised within 90 days of receipt of all completed claim documents.	Quarterly	70%	70%	70%	70%	70%

Output Indicator	Reporting Period	Annual Target 2022/23	Quarterly Targets			
			1st	2nd	3rd	4th
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 2021/22 annual report to the Auditor-General of South Africa	2021/22 annual report submitted to the Auditor-General of South Africa for Audit	2021/22 annual report finalisation and final reporting by the Auditor-General of South Africa	2021/22 annual report finalisation and final reporting by the Auditor-General of South Africa	2021/22 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:

- 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, to support 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.

The Finance Director has been investing surplus funds in the short-term investment market with the South African Reserve Bank and banking institutions. Levy revenue is expected to increase over the MTEF due to increase in levy rates for gold which is the highest contributor towards levy income. In addition, interest earned from investments is expected to increase over the MTEF period owing to an increase in interest rates and investment balances.

The enhanced claims management process ensured that 5,054 claims were finalised for the period ending 31 December 2021, compared to the 3,923 claims finalised for the same period in the preceding year (other than pensioners).

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 8.1% over the medium term from R1,4 million in the 2021/22 FY to R1,8 million in the 2024/25 FY.

Compensation of ex-miners is the Mines and Works Compensation Fund's largest cash outflow 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 2022/23 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 continuing.

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			Revised estimate	Average growth rate (%)	Expen-diture/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ Total: Average (%)
R thousand	2018/19	2019/20	2020/21	2021/22	2018/19 – 2021/22		2022/23	2023/24	2024/25	2022/23 – 2024/25	
Administration	8 500	291 747	288 967	286 336	223.0%	59.4%	286 353	286 370	286 389	0.0%	69.2%
Compensation of pensioners	3 836	992	843	1 437	(27.9%)	0.7%	1 544	1 735	1 813	8.1%	0.4%
Compensation of ex-miners	151 300	-	166 513	120 000	(7.4%)	35.4%	125 000	128 000	130 000	2.7%	30.4%
Compensation of tuberculosis	36 650	-	-	-	(100%)	4.6%	-	-	-	-	-
Eastern Cape project	8	-	-	-	(100%)	0.0%	-	-	-	-	-
Total	**200 294**	**292 739**	**456 323**	**287 773**	**26.7%**	**100.0%**	**412 897**	**416 105**	**418 202**	**0.8%**	**100.0%**

Table 2: CCOD statements of historical financial performance and position

Statement of financial performance	Budget	Audited outcome	Budget	Audited outcome	Budget	Un-Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	2018/19		2019/20		2020/21		2021/22		2018/19 – 2021/22
Revenue									
Tax revenue	**315 000**	**305 000**	**311 000**	**114 531**	**305 000**	**107 002**	**321 470**	**120 000**	51.6%
Non-tax revenue	**260 000**	**270 000**	**246 000**	**660 020**	**235 000**	**208 603**	**247 690**	**205 500**	135.9%
Other non-tax revenue	260 000	270 000	246 000	660 020	235 000	208 603	247 690	205 500	135.9%
Transfers received	**3 836**	**3 836**	**4 050**	**992**	**4 272**	**843**	**1 437**	**1 437**	52.3%
Total revenue	**578 836**	**578 836**	**561 050**	**775 543**	**544 272**	**316 448**	**570 597**	**326 937**	88.6%
Expenses									
Current expenses	**8 500**	**8 500**	**8 781**	**291 747**	**8 910**	**288 967**	**9 391**	**286 336**	2 460.7%
Goods and services	8 275	8 275	8 506	9 351	8 625	4 967	9 090	2 336	72.3%
Interest, dividends and rent on land	225	225	275	282 396	285	284 000	300	284 000	78 370.1%
Transfers and subsidies	**191 794**	**191 794**	**202 533**	**992**	**222 602**	**167 356**	**234 618**	**121 437**	56.6%
Total expenses	**200 294**	**200 294**	**211 314**	**292 738**	**231 512**	**456 323**	**244 009**	**407 773**	153.0%
Surplus/(Deficit)	**378 542**	**378 542**	**349 736**	**482 804**	**312 760**	**(139 875)**	**326 588**	**(80 836)**	
Statement of financial position									
Investments	4,361,902	4,365,700	4,524,362	4,755,810	4,581,418	4,936,636	4,828,815	5,142,136	104.9%
Receivables and prepayments	14,650	13,500	15,470	13,490	17,017	27,073	17,936	27,073	124.7%
Cash and cash equivalents	85,000	82,000	65,000	53,615	42,250	98,587	44,532	41,251	116.3%
Total assets	**4,461,552**	**4,461,200**	**4,604,832**	**4,822,915**	**4,640,685**	**5,062,296**	**4,891,282**	**5,210,460**	**105.2%**
Accumulated surplus/(deficit)	972,633	959,595	1,322,369	1,591,430	1,635,129	1,551,409	1,964,787	1,470,573	94.5%
Trade and other payables	12,450	15,250	13,147	110,014	14,462	116,832	15,243	118,832	652.6%
Provisions	3,476,469	3,486,355	3,269,316	3,121,471	2,991,094	3,394,055	2,911,252	3,621,055	107.7%
Total equity and liabilities	**4,461,552**	**4,461,200**	**4,604,832**	**4,822,915**	**4,640,685**	**5,062,296**	**4,891,282**	**5,210,460**	**105.2%**

Table 3: CCOD statements of estimates of financial performance and position								
Statement of financial performance	**Revised estimate**	**Average growth rate (%)**	**Expen-diture/ Total: Average (%)**	**Medium-term estimate**			**Average growth rate (%)**	**Expen-diture/ Total: Average (%)**
R thousand	**2021/22**	**2018/19 – 2021/22**		**2022/23**	**2023/24**	**2024/25**	**2021/22 – 2024/25**	
Revenue								
Tax revenue	120 000	(26.7%)	34.5%	125 000	128 000	130 000	2.7%	36.9%
Non-tax revenue	**205 500**	**(8.7%)**	**65.1%**	**209 500**	**217 500**	**221 500**	**2.5%**	**62.6%**
Other non-tax revenue	205 500	(8.7%)	65.1%	209 500	217 500	221 500	2.5%	62.6%
Transfers received	**1 437**	**(27.9%)**	**0.4%**	**1 544**	**1 735**	**1 813**	**8.1%**	**0.5%**
Total revenue	**326 937**	**(17.3%)**	**100%**	**336 044**	**347 235**	**353 313**	**2.6%**	**100.0%**
Expenses								
Current expenses	**286 336**	**223.0%**	**59.4%**	**286 353**	**286 370**	**286 389**	**0.0%**	**69.2%**
Goods and services	2 336	(34.4%)	2.2%	2 353	2 370	2 389	0.8%	0.6%
Interest, dividends and rent on land	284 000	980.7%	57.1%	284 000	284 000	284 000	0.0%	68.6%
Transfers and subsidies	**121 437**	**(14.1%)**	**40.6%**	**126 544**	**129 735**	**131 813**	**2.8%**	**30.8%**
Total expenses	**407 773**	**26.7%**	**100%**	**412 897**	**416 105**	**418 202**	**0.8%**	**100.0%**
Surplus/(Deficit)	**(80 836)**	**(159.8%)**		**(76 853)**	**(68 870)**	**(64 889)**	**(7.1%)**	
Statement of financial position								
Investments	5,142,136	5.6%	98.2%	5,251,636	5,469,136	5,590,636	2.8%	98.5%
Receivables and prepayments	27,073	26.1%	0.4%	27,073	27,073	27,073	0.0%	0.5%
Cash and cash equivalents	41,251	(20.5%)	1.4%	83,898	24,528	62,139	14.6%	1.0%
Total assets	**5,210,460**	**5.3%**	**100.0%**	**5,362,607**	**5,520,737**	**5,679,848**	**2.9%**	**100.0%**
Accumulated surplus/(deficit)	1,470,573	15.3%	28.3%	1,393,720	1,324,850	1,259,961	(5.0%)	25.1%
Trade and other payables	118,832	98.3%	1.8%	120,832	122,832	124,832	1.7%	2.2%
Provisions	3,621,055	1.3%	69.9%	3,848,055	4,073,055	4,295,055	5.9%	72.7%
Total equity and liabilities	**5,210,460**	**5.3%**	**100.0%**	**5,362,607**	**5,520,737**	**5,679,848**	**2.9%**	**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 Mines and Works Compensation Fund's largest cash outflow. 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 levy increases approved by the Minister of Health as of 1 April 2022, revenue is forecast to increase over the medium term to R130 million in the 2024/25 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 (IMCS)	Count of certifications finalised on the IMCS - a certification is finalised when the chairperson of the certification committee approves the certification by clicking “finalise” on the IMCS system	Missing data and data integrity of the IMCS	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 IMCS	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 IMCS 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
CCMS	Compensation Claims Management System
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
IMCS	Interim Mineworkers Compensation System
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	*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.*
Strategic Outcome Oriented Goal 2	Ensure the effective and efficient management of the CCOD
Goal Statement 2	*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.*