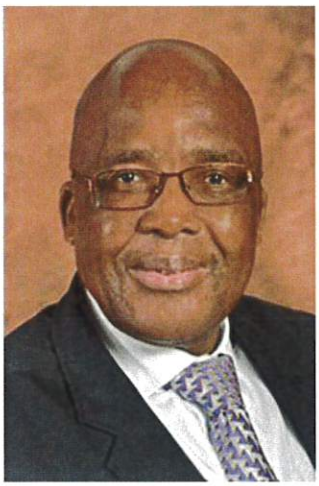


The Mines and Works Compensation Fund

Annual Performance Plan
for the 2026/27 Financial Year

March 2026

Executive Authority Statement by the Minister of Health



The Mines and Works Compensation Fund (Fund) is congratulated on its achievement of an unqualified audit by the Auditor-General of South Africa in the 2024/25 financial year.

The Mines and Works Compensation Fund paid on average 450 claimants per month totalling R375,2 million for the 9 months to 31 December 2025, compared to an average of 446 claimants per month totalling R280 million in the comparative period in the previous year. The Certification Committees of the Medical Bureau for Occupational Diseases (MBOD) adjudicated on average 1 823 certifications per month for the 9 months to 31 December 2025, compared to 1 395 certifications per month in the comparative period in the previous year.

The Minerals Council South Africa continued its support for the activities of the CCOD/MBOD through secondment of personnel and technical support for financial and information management and legal reforms. The CCOD/MBOD is working closely with the Tshiamiso Trust in the provision of medical assessment services and submission of claims given the overlap with claimants in the gold mining sector.

As at 31 December 2025, 102 controlled mines and works were inspected.

This Annual Performance Plan reflects the performance targets for the 2026/27 financial year. I endorse the Annual Performance Plan of the Mines and Works Compensation Fund and will work with the management team to ensure its implementation. The focus area will be:

- the effective and efficient management of the Fund through collection of levies, certifications and payment of claims.

Dr PA Motsoaledi (MP)
Executive Authority, Minister of Health, RSA
Date: 19/3/2026

Accounting Authority Statement

The CCOD was established in terms of the Occupational Diseases in Mines and Works Act, No. 78 of 1973 (ODMWA). 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 Fund for the 2026/27 financial year. The focus area will be:

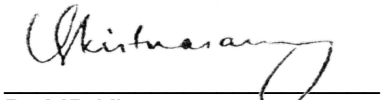
- the effective and efficient management of the Fund through certifications and payment of claims, collection of levies and inspections of controlled mines and works.

A full external actuarial valuation of the Fund was performed by external actuaries for the year ended 31 March 2025. Levies on controlled mines and works and benefits payable to claimants were adjusted from 1 August 2025 based on the 31 March 2025 actuarial valuation of the Fund. The benefits payable to claimants were increased for first degree claimants to R 96 474.00 and second-degree claimants to R214 820.00 due to the stable financial position of the Fund. There are 73 462 unpaid compensation claims amounting to R1.62 billion in the Fund. There have been extensive tracking and tracing efforts by the CCOD for unpaid claims noting that the bulk of the unpaid claims have a claim date before 2010.

Over the 9-month period ending 31 December 2025, the Fund paid 4 058 claimants R375,2 million with 36% going to claimants in neighbouring countries and 16 404 certifications were performed by the Medical Bureau for Occupational Diseases. The CCOD continued to pay monthly pensions to 14 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 CCOD/MBOD 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 facilitated tracking and tracing activities for unpaid claimants. The call centre handled 2 023 outgoing and 2 619 incoming calls per month for the period ending 31 December 2025 compared to 1 945 outgoing and 1 628 incoming calls per month for the same period in the previous year.

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. The Minerals Council South Africa provided a budget amount of R71m for the 2025/26 financial year to cover the seconded personnel, financial and information management services.



Dr MB Kistnasamy
Compensation Commissioner

Official Sign - Off

It is hereby certified that this Annual Performance Plan of the Mines and Works Compensation Fund:

- Was developed by the management of the CCOD, which administers the Mines and Works Compensation Fund, under the guidance of the Minister of Health;
- Considers all relevant policies, legislation and other mandates for which the Fund is responsible; and
- Accurately reflects the outcomes and outputs which the Fund will endeavour to achieve over the 2026/27 financial year.

Dr MB Kistnasamy
Compensation Commissioner

Signature: _____

Ms T Mama
Deputy Commissioner

Signature: _____

Mr M Maswanganye
Director: Finance

Signature: _____

Dr N Mtshali
Director: MBOD

Signature: _____

Approved by:
Dr PA Motsoaledi (MP)
Executive Authority, Minister of Health, RSA

Signature: _____

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Part A Our Mandate

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 called the Compensation Commissioner for Occupational Diseases (CCOD). The CCOD operates under the provisions of ODMWA.

The ODMWA provides for the establishment of a fund to be called the Mines and Works Compensation Fund (Fund). In terms of the ODMWA, the CCOD is responsible for controlling and administering the Fund. The Fund was listed as a Schedule 3A National Public Entity (3A Entity) effective 28 March 2023 through inclusion in Schedule 3, Part A to the Public Finance Management Act (PFMA).

The ODWMA provides for the establishment of the Medical Bureau for Occupational Diseases (MBOD). The MBOD oversees the provision of Benefit Medical Examinations (BMEs) and certification of claims. The CCOD collects revenue from controlled mines and works on behalf of the Fund based on levies per risk shift per commodity. The NDOH provides oversight over the activities of the CCOD/MBOD and provides funds from the fiscus for the administration of the Fund.

The Fund compensates workers and ex-workers in controlled mines and works for occupational lung diseases and reimbursement for loss of earnings incurred during Tuberculosis (TB) treatment. In the case where the worker or ex-worker is deceased, the Fund compensates their beneficiaries. The CCOD also administers the transfer payment for pensioners as per the Pneumoconiosis Compensation Act, 1962 (Act 64 of 1962).

The CCOD/MBOD relies on transversal support from the NDOH for various services including legal, human resources, information technology, risk management and internal audit as the CCOD/MBOD does not have these functions in-house.

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 Fund / 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 and Petroleum Resources and the Department of Health.

It was not possible to integrate the compensation systems between the Department of Health and the Department of Employment and Labour. The repeal of the Occupational Diseases in Mines and Works Act, Act 78 of 1973, through the Occupational Diseases in Controlled Mines and Controlled Works Bill, will cover changes to the levies to cover the costs of administration and medical assessments; provide for a register of all controlled mines and controlled works and introduction of limited liability for owners of controlled mines and controlled works with respect to occupational lung diseases. The digitisation project of the paper-based files will continue over the MTEF and assist with the paper less information technology system introduced in 2022.

The planned initiatives over the period 2024/25 to 2028/29 include:

- Finalising the legislative reforms.
- Ensuring the effective and efficient management of the CCOD /MBOD through certifications and payment of claims, collection of levies and inspections of controlled mines and works.

A4. Relevant court rulings

- None

Part B Our strategic focus

B1. Vision

The Fund 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 occupational lung 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, who administers the Fund, 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 with additional support from the Minerals Council South Africa.

The Fund compensates current and ex-workers in controlled mines and works for impairment or diseases of the cardio-respiratory organs 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 Fund compensates the beneficiaries of the worker or ex-worker. The CCOD also pays the transfer payment 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. Their grants are increased annually and is done in line with the general increases as determined by National Treasury. Pensioners are paid from the State Account within the Mines and Works Compensation Fund from 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 organs of between 10% and 40%. The claim amount payable for first degree is up to R96 474.00.
- 2nd degree compensation is the impairment of the cardio-respiratory organs of greater than 40% and/or multiple diseases. The claim amount payable for second degree is up to R214 820.00.
- 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 August 2025.

The Minerals Council South Africa provided significant support for various business process improvements at the CCOD. Its contributions supported the IT systems, the secondment of information and financial management personnel, the electronic database and outreach services for ex-workers in labour sending areas. The Minerals Council's support is underpinned by the Memorandum of Understanding (MOU) with the NDOH.

The CCOD maintains a comprehensive database of claimants with links to banks, other social protection funds and the NDOH Patient Registration System, which has assisted with tracking and tracing of claimants. One-third of ex-workers are from neighbouring countries. The lack of population registers (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 and Petroleum Resources. There are 931 controlled mines and works in the register of controlled mines and works as at 31 December 2025 with 285 active

controlled mines and works liable for levies. The Risk Committee carried out its functions effectively during the 2025/26 financial year with 49 operations declared controlled operations.

254 legacy mines and works with no evidence of current activity were decontrolled with effective from 1 January 2026 as part of the continuing project on updating the register of controlled mines and works.

A hundred percent of targets in the Annual Performance Plan of the Fund were achieved in the 2024/2025 financial year with all five performance indicator targets being met.

The Fund maintained a high collection ratio of 91% of levy revenue raised as at 31 December 2025. Inspections are carried out to ensure that risk shifts are not understated and that assessments are submitted and paid. For the period ending 31 December 2025, 102 inspections of mines and works were undertaken. On-site inspections were supported by telephonic enquiries and desktop reviews to assist with revenue assessments. The inspections have contributed to more accurate submissions of risk shift information and payments of levies by controlled mines and works.

As part of the continued revenue enhancements at the Fund, the Mining Industry Employee Database of South Africa (MIEDSA) online submission portal was launched to facilitate the completeness and accuracy of revenue submissions and assist mines and works with payment of the correct assessment amount. MIEDSA was rolled out to the controlled mines and works in a phased approach throughout the course of the financial year.

The table below represents a comparison of levies per commodity for each year as per respective government gazettes.

Commodity	Levy rates – applicable from 1 August 2025 R	Levy rates – applicable from 1 April 2024 R	Levy rates – applicable from 1 April 2023 R	Levy rates – applicable from 1 April 2022 R
Andalusite	0.01	0.01	0.01	0.01
Chrome	0.31	0.32	0.46	0.35
Coal	0.62	0.61	0.35	0.40
Copper	0.28	0.25	0.32	0.25
Diamond	0.15	0.18	0.28	0.24
Fluorspar	0.01	0.01	0.01	0.01
Gold	3.90	4.58	5.48	5.46
Iron	0.09	0.11	0.16	0.21
Lead	0.07	0.13	0.40	0.48
Magnesite	0.01	0.01	0.01	0.01
Manganese	0.10	0.10	0.15	0.17
Mica & Feldspar	0.01	0.01	0.01	0.01
Phosphate	0.01	0.01	0.01	0.01
Platinum	0.49	0.46	0.70	0.66
Quarries	0.16	0.29	0.55	0.45
Vanadium	0.01	0.01	0.01	0.01
Works	0.18	0.16	0.22	0.23
Research	0.02	0.02	0.02	0.02

The CCOD/MBOD continued with the digitisation of physical claimant files, stored with Metrofile, to facilitate faster processing of claims. Approximately 315 000 files were digitised by the end of December 2025. The digitisation project of paper-based files will continue over the medium term.

The latest annual report and audited financial statement were presented to parliament in October 2025.

The management interventions over the period 2025/26 to 2028/29 are as follows:

- Finalising the legislative reforms.
- Ensuring the effective and efficient management of the Fund through collection of levies, certifications and payment of claims.
- Working closely with stakeholders and social partners to resolve many of the legacy challenges facing the CCOD.

iii. Audit findings

During the 2025/26 financial year, the annual report for the 2024/2025 financial year was submitted to Parliament. The CCOD was congratulated on its achievement of an unqualified audit for the 2024/2025 financial year.

Indeed, given the legacy problems faced by the CCOD, it has continued with

- innovations in service delivery to the current and ex-workers in mines and works
- maintenance of a comprehensive database with links to the class action and social protection funds
- working closely with trade unions, the Minerals Council South Africa, ex-mineworker associations, provinces and neighbouring country governments.

iv. Constraints

The budget for the administration of the CCOD/MBOD is provided from voted funds. There have been no substantial increases in the CCOD/MBOD budget over time and the business reform processes at the CCOD/MBOD have been supported by human, technical and financial resources from the Minerals Council South Africa. The building in Braamfontein has had adverse occupational health and safety reports; is in a poor physical state and prone to flooding. There has been intermittent disruption to electricity, water and data lines leading to service downtime.

B5. External environment analysis

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

The National Department of Health carries the administration costs of the CCOD/MBOD which includes the personnel, operational and infrastructure costs. The budget for the administration of the CCOD/MBOD, the provision of Benefit Medical Examinations and the activities of the Certification Committees are provided for within voted funds. Substantial resources estimated at R150 million per annum are needed to expand and scale up the services of the CCOD/MBOD, 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.

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
- Mr Mishack Maswanganye as the Director: Finance
- Dr Nhlanhla Mtshali as the Director: MBOD (Seconded)

The personnel distribution as at 31 December 2025 was as follows:

Table 1: Distribution of Posts at the CCOD as at 31 December 2025

Designation	Level	No. of Posts	Filled	Vacant
Commissioner	14	1	1	0
Director	13	2	2	0
Deputy Directors	12	1	1	0
Deputy Directors	11	2	0	2
Assistant Directors	10	2	2	0
Assistant Directors	9	1	0	1
Senior State Accountant (Finance)	8	3	2	1
Administration Officer	7	2	2	0
Senior Administration Clerks	7	1	1	0
Personal Assistant	6	1	1	0
Senior Administration Clerk	6	2	2	0
Administration / Finance Clerk	5	16	15	1
Switchboard operator	4	1	1	0
Total		**35**	**30**	**5**

Whilst the CCOD is capacitated at 85%, these are mainly administrative posts and there are an inadequate number of posts for specialised personnel within the CCOD. 12 unfilled posts of the CCOD were cancelled by the NDOH during the last year. The specialised technical and professional support personnel are provided by the Minerals Council South Africa.

Part C Measuring our performance

C1. Institutional programme performance information

C1.1 Ensure the effective and efficient management of the Fund

Management of the CCOD/MBOD will ensure the effective and efficient management of the Fund.

C1.1.1 Purpose

Management will work to ensure certifications and payment of claims, collection of levies from the controlled mines and works, and conduct inspections of controlled mines and works.

C2. Outcomes, outputs and performance indicators

outcome	Output Indicator	Audited/Actual Performance			Performance as at 31 December 2025	Medium-term Targets			
		2022/23	2023/24	2024/25	2025/26	2026\27	2027/28	2028/29	2029/30
1. Ensure the effective and efficient management of the CCOD	1.1 Number of certifications finalised on the Compensations Claims Management System (CCMS) per year	10 212	14 276	17 765	16 414	8 000	7 000	6 000	5 000
	1.2 Number of claims finalised by the Fund (other than pensioners)	6 693	5 527	6 197	4 732	4 400	4 400	3 300	2 200
	1.3 Number of benefit payments made by the Fund (other than pensioners)	5 776	4 590	5 637	4 058	4 000	4 000	3 000	2 000
	1.4 Number of controlled mines and works inspected	121	108	131	102	85	90	90	95
	1.5 Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system.	New Indicator	New Indicator	97%	91%	85%	90%	90%	90%

C3. Output indicators: annual and quarterly targets

Output Indicator	Reporting Period	Annual Target 2026/27	Quarterly Targets			
			1st	2nd	3rd	4th
1.1 Number of certifications finalised on the Compensations Claims Management System (CCMS) per year	Quarterly	8 000	2 450	2 450	1 550	1 550
1.2 Number of claims finalised by the Fund (other than pensioners)	Quarterly	4 400	1 250	1 250	950	950
1.3 Number of benefit payments made by the Fund (other than pensioners)	Quarterly	4 000	1 150	1 150	850	850
1.4 Number of controlled mines and works inspected	Quarterly	85	15	18	27	25
1.5 Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system.	Quarterly	85%	85%	85%	85%	85%

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

The Fund's focus over the medium term will be on stabilising the number of claims paid.

To stabilise the number of claims paid, the Compensation Commissioner will interact 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.

Provision of the benefit medical examinations will be enabled 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 remain fairly constant over the MTEF with a marginal increase in risk shifts due to new mines being declared controlled. In addition, interest earned from investments is expected to fluctuate over the MTEF period owing to changes in interest rates and investment balances.

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 3.7% over the medium term from R1,9 million in the 2025/26 FY to R2,1 million in the 2028/29 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 95 per year in the 2029/30 FY owing to resource constraints.

There will be a decrease in the number of persons being assessed and certified due to less workers in the mines and works sector and enhanced dust control and TB prevention interventions in the mines. The Compensation Commissioner will continue to work with the Tshiamiso Trust to ensure provision of services to eligible current and ex-workers for lodgement of claims and access to medical assessments.

C5. Programme resource considerations

Table 1: Mines and Works Compensation Fund expenditure trends and estimates by programme / objective / activity

	Outcome			Approved budget	Average growth rate (%)	Expen-diture/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expen-diture/ Total: Average (%)
R thousand	2022/23	2023/24	2024/25	2025/26	2022/23 – 2025/26		2026/27	2027/28	2028/29	2025/26 – 2028/29	
Compensation of pensioners	361	215	6 650	225	(14.6%)	0.3%	153	107	74	(31.1%)	0.0%
Compensation of ex-miners	283 603	304 564	631 473	368 289	9.1%	99.7%	370 275	385 062	398 831	2.7%	100.0%
Total	**283 964**	**304 779**	**638 123**	**368 513**	**9.1%**	**100.0%**	**370 429**	**385 169**	**398 905**	**2.7%**	**100.0%**

Statement of financial performance	**Budget**	**Audited outcome**	**Budget**	**Audited outcome**	**Budget**	**Audited outcome**	**Budget estimate**	**Revised estimate**
R thousand	2022/23		2023/24		2024/25		2025/26	
Revenue								
Tax revenue	**126 274**	**119 770**	**122 476**	**127 414**	128 600	**107 033**	**111 335**	**103 281**
Non-tax revenue	**306 421**	**956 738**	**459 744**	**593 816**	**481 492**	**522 264**	**465 455**	**421 186**
Other non-tax revenue	306 421	956 738	459 744	593 816	481 492	522 264	465 455	421 186
Transfers received	**373**	**1 544**	**287**	**209**	**230**	**0**	**134**	**0**
Total revenue	**433 068**	**1 078 052**	**582 507**	**721 438**	**610 322**	**629 297**	**576 924**	**524 467**
Expenses								
Current expenses	**449 446**	**283 605**	**383 796**	**304 570**	**402 113**	**638 123**	**386 049**	**368 513**
Goods and services	137 261	904	128 841	15 194	134 994	336 392	118 042	110 907
Interest, dividends and rent on land	312 185	282 701	254 955	289 376	267 119	301 731	268 006	257 607
Transfers and subsidies	**372**	**359**	**287**	**209**	**230**	**0**	**134**	**0**
Total expenses	**449 818**	**283 964**	**384 083**	**304 779**	**402 343**	**638 123**	**386 183**	**368 513**
Surplus/(Deficit)	**(16 750)**	**794 088**	**198 424**	**416 659**	**207 979**	**(8 826)**	**190 741**	**155 953**
Statement of financial position								
Investments	5 351 631	5 363 565	5 619 424	5 727 063	6 097 031	5 919 154	6 228 310	6 083 495
Receivables and prepayments	9 193	28 291	0	0	0	0	0	0
Cash and cash equivalents	69 996	51 868	195 922	69 401	136 096	63 484	69 110	62 790
Statutory receivables	0	0	28 647	15 242	30 079	33 585	13 386	17 528
Total assets	**5 430 820**	**5 443 724**	**5 843 993**	**5 811 706**	**6 263 206**	**6 016 223**	**6 310 806**	**6 163 814**
Accumulated surplus/(deficit)	1 584 992	2 402 339	2 600 764	2 818 999	2 808 743	2 810 173	3 230 827	2 966 126
Trade and other payables	126 060	93 206	99 014	103 495	104 994	115 459	119 909	124 164
Provisions	3 719 768	2 948 179	3 144 215	2 889 212	3 349 469	3 090 591	2 960 071	3 073 524
Total equity and liabilities	**5 430 820**	**5 443 724**	**5 843 993**	**5 811 706**	**6 263 206**	**6 016 223**	**6 310 806**	6 163 814

Table 3: Mines and Works Compensation Fund 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	2025/26	2022/23 – 2025/26		2026/27	2027/28	2028/29	2025/26 – 2028/29	
Revenue								
Tax revenue	**103 281**	(4.8%)	16.4%	101 682	102 698	103 212	0%	19.4%
Non-tax revenue	**421 186**	**(23.9%)**	**83.6%**	**416 437**	**430 053**	**444 189**	**1.8%**	**80.6%**
Other non-tax revenue	421 186	(23.9%)	83.6%	416 437	430 053	444 189	1.8%	80.6%
Transfers received	**0**	**(100%)**	**0%**	**0**	**0**	**0**	**0%**	**0**
Total revenue	**524 467**	**(21.4%)**	**100.0%**	**518 118**	**532 751**	**547 401**	**1.4%**	**100.0%**
Expenses								
Current expenses	**368 513**	**9.1%**	**100.0%**	**370 792**	**385 169**	**398 905**	**2.7%**	**100.0%**
Goods and services	110 907	396.9%	22.1%	108 749	108 896	109 134	(0.5%)	28.7%
Interest, dividends and rent on land	257 607	(3.1%)	77.9%	262 043	276 272	289 771	4.0%	71.3%
Transfers and subsidies	**0**	**(100%)**	**0%**	**0**	**0**	**0**	**0**	**0**
Total expenses	**368 513**	**9.1%**	**100.0%**	**370 792**	**385 169**	**398 905**	**2.7%**	**100.0%**
Surplus/(Deficit)	**155 953**	**(41.9%)**		**162 535**	**147 582**	**148 496**	**(1.6%)**	
Statement of financial position								
Investments	6 083 495	4.3%	98.5%	6 294 131	6 508 985	6 818 341	3.9%	98.8%
Receivables and prepayments	0	(100.0%)	0.1%	0	0	0	0	0
Cash and cash equivalents	62 790	6.6%	1.1%	63 454	65 784	60 729	(1.1%)	1.0%
Statutory receivables	17 528	-	0.3%	14 186	11 235	8 202	(22.4%)	0.2%
Total assets	**6 163 814**	**4.2%**	**100.0%**	**6 371 772**	**6 586 003**	**6 887 273**	**3.8%**	**100.0%**
Accumulated surplus/(deficit)	2 966 126	7.3%	46.9%	3 113 815	3 261 398	3 409 894	4.8%	49.0%
Trade and other payables	124 164	10.0%	1.9%	133 297	142 921	153 053	7.2%	2.1%
Provisions	3 073 524	1.4%	51.3%	3 124 660	3 181 684	3 324 325	2.6%	48.9%
Total equity and liabilities	6 163 814	**4.2%**	**100.0%**	**6 371 772**	**6 586 003**	**6 887 273**	**3.8%**	**100%**

The budget overview and MTEF estimates related to the administration of the CCOD as processing and payments of claims are covered by voted funds within the budget of the National Department of Health. The Mines and Works Compensation Fund receives revenue from the levies on controlled mines and works and pays compensation benefits to claimants and beneficiaries.

As a result of a reduction in levy rates approved by the Minister of Health as of 1 April 2024, revenue is forecast to initially decrease in 2026/27 and stabilise at R103 million in the 2028/29 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 and the service enhancement projects at the CCOD have been supported by the Minerals Council South Africa.

C6. Updated key risks and mitigation from the Strategic Plan

STRATEGIC OBJECTIVE	STRATEGIC RISK	ROOT CAUSES	CONSEQUENCES	MITIGATION
Ensure the effective and efficient management of the Fund / CCOD	Inability of the Fund / CCOD to meet its liabilities and pay benefits	Non-collection of levies from controlled mines and works	Inability of the Fund / CCOD to pay claimants	Ensure an accurate database of controlled mines and works and inspections to verify levy collections; regular updates to the database; manage turnaround times of payment of new claims with complete documentation
		Reliance on support from social partners to perform	Inability of the Fund to administrate the collection of levies, payment of claimants and adhering to compliance regulations	MOU between NDOH and Social partners and ODMWA reform to allow administration to be funded via levies.

C7. Public entities

The Fund was listed as a Schedule 3A National Public Entity (3A Entity) effective 28 March 2023 through inclusion in Schedule 3, Part A to the Public Finance Management Act (PFMA).

C8. Infrastructure programs

There are no infrastructure programs in the strategic plan of the Mines and Works Compensation Fund for the period ending 2027/28.

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 Number of certifications finalised on the Compensations Claims Management System (CCMS) per year.	Claimant files assessed by the Certification Committees and finalised on the Compensations Claims Management System (CCMS)	The Certification Committees assess the benefit medical examinations to diagnose and certify a compensable disease	Compensation Claims Management System (CCMS)	Count of certifications finalised on the CCMS	Missing data and data integrity of the CCMS	None	Cumulative	Quarterly	No	8 000	Director: MBOD
1.2 Number of claims finalised by the Fund (other than pensioners) per year	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 Fund 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 and data and transcription errors on the IMCS	None	Cumulative	Quarterly	No	4 400	Director: Finance
1.3 Number of benefit payments made by the Fund (other than pensioners) per year	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 Fund, other than pension payments, less payments rejected per the bank statement in the reporting period	Missing documents and data	None	Cumulative	Quarterly	No	4 000	Director: Finance
1.4 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 Fund	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	85	Deputy Compensation Commissioner

Indicator title	Definition	Purpose/ Importance	Source of data	Calculation Method	Data Limitations	Assumptions	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator responsibility
1.5 Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system	% of controlled mines and works per the financial system paying levies to the Fund	Verification process of levy payments of controlled mines and works ensures the sustainability of the Fund	Receipts of levies in the Fund (CCOD) bank account reconciled to invoices raised in the accounting system	**Quarterly reporting:** All quarters will report YTD at the end of the quarter as at the time of reporting. **Annual reporting:** Full year reporting will cover the full financial year as at the time of reporting. Numerator: Sum of the value of payments received and allocated to invoices dated in the period being reported as reflected in the "Assessment_Summary_Macro_20240614_W002_OrderandInvoicedate " model which extracts invoice and payment information from the Sage Accounting System as at the time of reporting. Denominator: Sum of the value of invoices raised (net of related credit notes) for the period being reported per the inventory transaction listing as per the Sage accounting system as reflected at the time of reporting	Mines/Works not submitting actual assessments for the period under review for risk shifts worked	None	Cumulative	Annual	No	85%	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 more than 40% and/or multiple diseases
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
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
M&WCF	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	Ensure the effective and efficient management of the CCOD
Goal Statement 1	*Management will work towards maintaining effective turnaround times of certifications and payment of new claims, ensure the collection of levies from controlled mines and works and conduct inspections of controlled mines and works.*

Materiality and Significance Framework

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MINES AND WORKS COMPENSATION FUND

COMPENSATION COMMISSIONER FOR OCCUPATIONAL DISEASES

MATERIALITY AND SIGNIFICANCE FRAMEWORK

OCTOBER 2025

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1. DEFINITION OF TERMS

Throughout this document, unless stated otherwise, the words in the first column below have the meaning assigned to them in the opposite column.

Term	Definition
CCOD	Compensation Commissioner for Occupational Diseases
Fund	The Mines and Works Compensation Fund
M&WCF	The Mines and Works Compensation Fund
MBOD	Medical Bureau for Occupational Diseases
NDOH	National Department of Health
ODMWA	Occupational Diseases in Mines and Works Act No 78 of 1973
PFMA	Public Finance Management Act, 1999 (Act no. 1 of 1999)

2. INTRODUCTION

This document aims to determine the materiality and significance framework level of the Mines and Works Compensation Fund (Fund) as required by the PFMA and Treasury Regulations.

3. BACKGROUND

In terms of the Treasury regulations to the Public Finance Management Act, 1999 (Act no. 1 of 1999) (PFMA) and Treasury Regulation 28.3, the Accounting Authority is required to develop and agree a framework of acceptable levels of materiality and significance in consultation with the relevant Executive authority.

4. THE PURPOSE OF THIS FRAMEWORK

To establish a threshold / framework within which the Fund can effectively discharge its management and reporting responsibilities emanating from the specific sections of the PFMA and Treasury regulations.

5. METHODOLOGY

5.1 NON-FINANCIAL MATERIALITY

Non-financial materiality is derived from legislation that requires the Fund to report certain incidents or require disclosure in the annual report.

In terms of section 54(2) of PFMA, the accounting authority for a public entity must promptly and in writing inform the relevant treasury official prior to entering any transaction as listed below, and submit relevant particulars of the transaction to its executive authority for approval of the transaction:

- Establishment or participation in the establishment of a company;
- Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- Acquisition or disposal of a significant shareholding of the company;
- Acquisition or disposal of a significant asset;
- Commencement or cessation of a significant business activity; and
- A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.

Section 55(2)(b)(i) of the PFMA states that the annual report and financial statements must include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.

The level of non-financial materiality for the Fund will be:

- All losses in respect of proven criminal conduct;
- any confirmed irregular or fruitless and wasteful expenditure; and
- any irregular or fruitless and wasteful expenditure under assessment, determination and/or investigation.

5.2 FINANCIAL MATERIALITY

In determining financial materiality, the Fund applies the National Treasury's practice note on applications under section 54 of the PFMA by public entities.

The guiding principles per the practice note should be applied based on the rand values of certain elements of the individual public entity's audited annual financial statements as below.

In addition:

- The latest available audited financial statements should be used to calculate the rand values.
- The elements as well as percentage range selected should be consistent from one year to the next.

Element	**% Range to be applied against Rand value**	**Value per 2024/25 AFS**	**Value**
Total Assets	1% to 2%	R6,016,222,594	R60,162,226 to R120,324,452
Total Revenue	0,5% to 1%	R685,521,642	R3,427,608 to R6,855,216
Profit after tax	2% to 5%	Not applicable - loss	Not applicable

In considering the elements and the nature of the Fund's operations, management believes that Total Revenue and profit after tax is not an appropriate measure to use in determining materiality. Both Total Revenue and Profit after tax are volatile and can experience considerable fluctuations on a year-on-year basis due to the accounting treatment of the claims liability valuation.

Given the Fund's mandate to pay compensation to current and ex-mine workers in mines and works, the assets of the Fund is a more appropriate element to compute financial materiality. National Treasury's practice note on section 54 of the PFMA suggest a rage between 1% and 2% of Total Assets. Given that the Funds Total Assets as at 31 March 2025 (R6,016,222,594) exceeds the Fund's total liabilities (R3,206,049,982) by 88%. Management will apply 0.5% of Total Assets of **R30,081,113** as financial materiality.

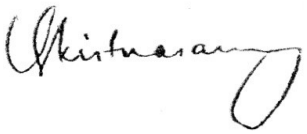
5.3 MATERIALITY FOR PREPARATION OF FINANCIAL STATEMENTS AND ASSESSMENT OF APPROPRIATE DISCLOSE

In determining materiality for the preparation of financial statements, consideration is given to the non-financial and financial materiality as described above.

6. EFFECTIVE DATE

This policy is applicable from date of approval.

7. APPROVAL



24 October 2025

Approved by the Accounting Authority
Dr MB Kistnasamy
Compensation Commissioner for Occupational Diseases

Date