

Biography



Gert van Heerden

Founder, Executive Director – IP Capital, CA (SA)

Gert is a founding partner at IP Capital. After graduating from Unisa with a BCompt (Hons) degree, he obtained SAICA accreditation as a Chartered Accountant during his articles with PWC. His experience spans both the public and private sectors, focusing on business process improvements. Currently, he is actively involved in assisting the MBOD/CCOD with financial and system enhancements.



MINE DUST CONFERENCE

Gert van Heerden (MBOD/CCOD)

25 JULY 2025



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CONTENT



1. Controlled mines and works
2. Risk determination
3. Levies
4. Impact of new risk determination methods



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Controlled Mines and Works



ODMWA

- In terms of the ODMWA, Mines and Works are controlled by virtue of notice by the Minister in the Government Gazette.
- Risk Committee determines a risk rating to be applied to controlled mines and works for the purposes of calculating levies payable to the Fund.
- The Risk Committee is established under section 18 of the ODMWA to determine, or alter, the applicable risk rating in terms of section 20 and 21 of the ODMWA.
- The risk rating or any alteration to the risk rating shall be communicated by the Risk Committee in terms of section 22 of the ODMWA



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Controlled Mines and Works



Process to control

- The MBOD/CCOD will prepare a list of mines and works to be controlled by the Minister with reference to:
 - The DMPR list of operating mines.
 - The DMPR OEL report summaries
 - Mines and works identified by physical inspection.
 - Mines and works identified by desktop review.
 - Mines and works identified with reference to internal documentation.
 - Submissions received from Mines and works to be controlled.



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Controlled Mines and Works



Process to Control

- The list will form the basis of a submission to the Risk committee with information for each operation regarding risk work performed based on OELs reported.
- OEL information is obtained from the DMPR, or the Occupational Hygienist responsible at the relevant operation
- The current default risk rating is 1



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Controlled Mines and Works



Process to control

- The risk committee will review the list as submitted by the MBOD/CCOD and determine which mines and works meet the criteria for control
- The CCOD will compile a list of mines and works approved for control for signature by the Chair of the Risk committee.
- The list approved by the Chair of the Risk committee will then be prepared for submission to the Minister of Health for publication in the Government Gazette and a letter to such effect will be sent to the Operation to be controlled informing them of their status as controlled mine or works under ODMWA
- The operation will then become a Controlled Mine or Works 30 days from the effective date in the Government Gazette



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Controlled Mines and Works



Cancellation of control

- A list of mines for cancellation of control to be presented to the Risk Committee where that operation meets the criteria as noted in section 11 of the ODMWA.
- Once approved, a list will be prepared by the revenue team for operations which have ceased control as a controlled mine or works for publication by the Minister of Health in the Government gazette.
- The entity will then be declared as not controlled 30 days from the date of notice of control in the Government Gazette.



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Risk Determination



ODMWA

- Section 20 (3) of ODMWA requires that the risk on a mine is to be determined by a method determined by the minister or the Risk Committee
- The Risk Committee approved a risk determination methodology that is based on the statutory information reported in terms of the Mine Health and Safety Act (MHSA)



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Risk Determination



Risk Rating

- Risk classification based on the DMPR exposure rating
- The risk band is determined in terms of exposure categories
- The risk shifts per exposure category is multiplied with the number of risk shifts for that exposure category to calculate the risk rating to be applied to the base commodity rating
- The higher the exposure to risk, the higher the levy payable



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Risk Determination



Exposure categories

DMRE Category	Risk Weighting	Description	Comment
A*	2	Exposures \geq OEL or mixtures of exposures ≥ 1	Unacceptable Risk
B & C*	1	Exposures $\geq 50\%$ of the OEL and $< OEL$ or mixtures of exposures $\geq 0,5$ and < 1 Exposures $\geq 10\%$ of the OEL and 50% of the OEL or mixtures of exposures $\geq 0,5$ and < 1	Moderate to High Risk
D	0	Exposures $< 10\%$ of the OEL	Low Risk

*- Current Department of Mineral Resources and Energy classification bands/codes for exposure rating bands.



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Risk Determination



Risk Rating - example

Mine X – Using the Highest Number of Exposed Persons

Category	Weighting	Highest No. of Exposed Persons	Product
A	2	340	680
B & C	1	970	970
Totals		1310	1650
Weighted Risk Rank		1650/ 1310	1.26

The risk rating is determined over a period of 7 years



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Risk Determination



Risk Rating - Formula

- $(RR_{Yr\ n-6} + \dots + RR_{Yr\ n-2} + RR_{Yr\ n-1} + RR_{Yr\ n}) / 7$
 - $n = \text{year of deliberation}$
- $RR_{Yr} = \text{Risk Rating for the year.}^1$



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Risk Determination



Controlled Mines or Works

- Mines or works that have conducted risk assessments in terms of section 11 of the MHSa with risk shifts classified in terms of exposure category A,B,C will be controlled by the Minister of Health
- Mines or works that have conducted risk assessments in terms of section 11 of the MHSa with risk shifts classified in terms of exposure category D will NOT be controlled by the Minister of Health
- Mines or works who have failed to conducted risk assessments in terms of section 11 of the MHSa will be controlled by the Minister of Health and risk work will be rated within Category A – highest risk until they have complied with the statutory provisions



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Levies



- Levies are calculated based on the claims frequency per commodity
- Levies charged per mine type to meet the additional liability as a result of claims that will arise from the risk shifts worked
- Based on data/liability calculated in terms of the Actuarial valuation
- $\text{Levy} / \text{Future Benefit} = \text{Commodity Rate} \times \text{Risk Rating} \times \text{Risk Shifts}$



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Levies



PROCESS

- Estimate the liability and number of claims arising from the risk year (Frequency)
- Apportion the number of claims into commodity to be settled arising from the risk year
- Apportion the liability into commodity type
- Determine levy payable by dividing liability per commodity by the number of risk shifts per commodity

Levies



Mine Type	Expect levies payable over the financial year 1 April 2024 to 31 March 2025 based on recommended levy rates
Andalusite	R1 103
Asbestos*	n/a
Chrome	R654 490
Coal	R5 233 758
Copper	R15 706
Diamond	R353 005
Flourspar	R821
Gold	R96 237 058
Iron	R154 621
Lead	R17 197
Magnesite	R207
Manganese	R109 886
Mica & Felspar	R298
Other*	n/a
Phosphate	R2 046
Platinum	R8 889 248
Quarries	R176 722
Vanadium	R2 550
Works	R413 554



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Levy impact – current OEL



Results of recalculation with new risk determination method

<u>Mine / Group</u>	<u>Commodity</u>	<u>Years covered</u>	<u>No. of operations/ divisions submitted for</u>	<u>Highest annual no. of employees</u>	<u>Lowest risk rating</u>	<u>Highest risk rating</u>	<u>Average risk rating</u>
A	Gold	2017 - 2023	31	25,354	1.024	1.145	1.103
B	Gold	2022	3	25,329	1.013	1.136	1.065
C	Coal	2017 - 2024	1	1,239	1.00	1.132	1.063
D	Aggregates	2017 - 2024	3	60	1.00	1.00	1.00



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Levy impact – New OEL



- Higher risk rating due to more exposure being in category A
- Lower exposure will lead to a lower claim frequency
- Benefit value used in calculation of Future liability
- The impact will be spread over 7 years due to risk determination method



Questions ?



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