



**MHSC**

**Mine Health and Safety Council**

**2019 Levy Model – Mpumalanga Surface Mines & Quarries RTF Meeting**

**NEW LEVY MODEL**

**Date: 12 MARCH 2019**

**Venue: FORTIS HOTEL, WITBANK**

**Presenter: MS SEWELA KABE**

# Presentation Outline

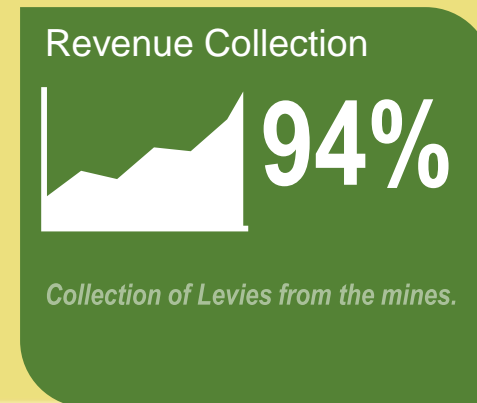
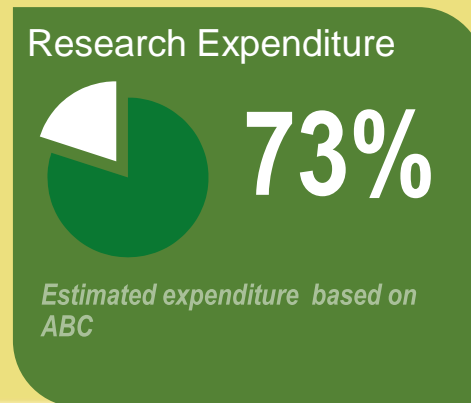
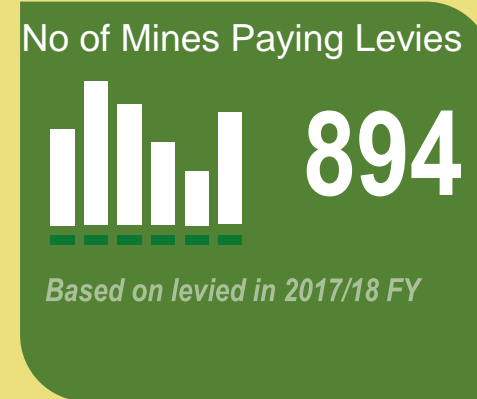
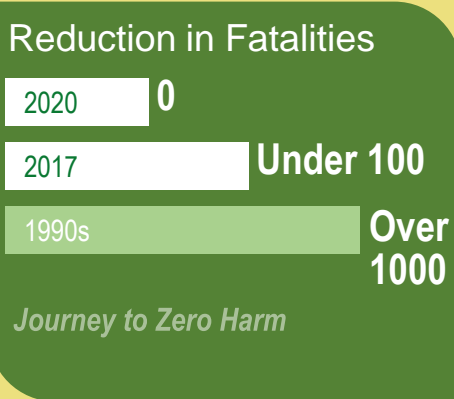
1. Introduction
2. Current Levy Model vs 2014 Summit Milestones
3. Rationale for Reviewing Levy Model
4. New Levy Model
5. Levy Model Rebates



# 1. Introduction

> R.5 billion on Research Expenditure to date

*MHSC expenditure on research and promotion of health and safety in the SAMI*



## 2. Current Levy Model vs 2014 Summit Milestones

- During the 2014 Summit, the stakeholder in the South African Mining Industry (SAMI) set a target of zero harm.
- The current levy model is based on the number of fatal and reportable injuries over a 3-year rolling period and the average labour figures for the previous year.
- Not aligned to the goal of ZERO HARM
- Not risk based, but more reactive in addressing the occupational health and safety issues.
- No rewards for good Occupational Health and Safety (OHS) record.



# 3. Rationale for Reviewing the Levy Model

- In order to continue with world-class OHS research intended to achieve Zero Harm, the current levy model needed to be reviewed.
- As the industry strives toward zero harm, the number of accidents are expected to reduce to zero.
- This presents a high risk of a below standard OHS research – and non-achievement of zero harm.



# 4. New Levy Model

## ➤ Success Factors include

- \* Easy to calculate and understand;
- \* Risk linked to Commodities;
- \* Information must be easily available;
- \* Based on Production figures;
- \* Exposure to various mining hazards



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# Old vs New Levy Model

Current	Disadvantages	Rebates
Average Labour of previous year	One rate for All	NONE
Accidents – Days Lost – 3 year Cycle	One rate for All	NONE

New	Advantages	Rebates
Average Labour of previous year	Rate per Commodity	Lower than National TB Rate
Production of previous year	Rate per Commodity	1 Year Cycle – Zero Injuries and Fatalities
Risk Index per Commodity	Balances Mechanisation & Non-mechanisation	



## 5. Levy Model Rebate

- The mines will now be rewarded for good OHS practices
- The Health rebate will be based on the achievement of 2014 Summit Milestone target - a less than the National TB Rate.
- The Safety rebate will be based on zero fatalities and serious injuries

### TOTAL OHS LEVY REBATE

10%

- Occupational Health - 5%
- Safety – 5%





# RETURN ON INVESTMENT (ROI)

ZERO HARM

0%

EVERY MINE  
WORKER  
RETURNING  
FROM WORK  
UNHARMED  
EVERYDAY



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# THANK YOU



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