

# South African Colliery Engineers Association

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Strategy Review 2010

25,26 February 2010



# *Strategic Theme 2009*

***“Sustaining the  
+momentum”***

***Collate, Influence, Sharing***



**South African Colliery Engineers Association**



***“To be a professional, dynamic, value adding and influential body in our industry”***



# Opening





# *Presidents Welcome*

*Thys Lourens*

## ● *President's Focus*

### ● *Diversity*

- *First year with a woman on council*
- *Nominations the first step – need to work at this!*
- *Selected on council – voted in*

### ● *Cash reserves*

- *We have successfully reduced our cash reserves*
- *Now is the time to stabilise it and not dip too deep*
- *Based on a comprehensive budgeting programme, SACEA needs to determine the appropriate cash reserve level*



# SACEA Coal Industry Scenarios

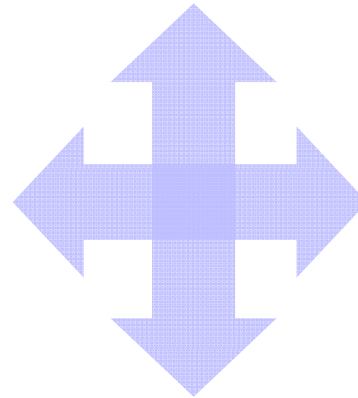
*(general indicators)*

## High Coal Demand

- High economic activity increase energy demand
- High growth in electricity demand
- Energy alternatives do not meet demand
- Environmental solutions to coal pollution

## Low Profit Industry

Low growth in the overall global economy: < 3.5% p.a.  
Strong Rand/\$ < 8.00



## High Profit Industry

Strong average global growth >4%  
Week Rand/\$ > 8.00

## Weak Coal Demand

- Energy alternatives commercially viable – decrease fossil fuel demand
- Environmental pressures decrease coal use
- Low economic growth decrease demand

# SACEA Coal Industry Scenarios (draft)



**High Demand for Coal**

## Scenario 2: "Cheap coal is in!"

- Low productivity
  - High CFC, low efficiency, high labour cosy
- High production cost
- CO2 penalties probable
- High infrastructure cost (RB not on time)
- Scarcity of water

## Scenario 1: "Booming Coal"

- Shortage of coal supply
- Acceptable coal pollution solutions – CCS, CO2
- Electron/electricity economy growing
- Clean energy commercialisation slow

**Low Profit Industry**

**High Profit Industry**

## Scenarios 3: "Coal not Sexy"

- Alternative energy sources found (shale gas)
- Hydro-Electricity from Moz, Congo
- Stringent environmental legislation
- Economic crises in RSA
- Affordable renewable energy
- Global depression
- Regulatory interference

## Scenario 4: "Coal Frustration"

- Over supply in coal industry
  - Old mines close, forced closures
  - Waterberg slow
- Change in mining methods – productivity up (tools, skills methods)
- Declining reserves
- Slow mining rights conversions
- Slow/no investment by mining houses

**Low Demand for Coal**



## ***SACEA Performance in 2009***

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*Collate, Influence, Sharing*





## *SWOT Analysis*





# SWOT Analysis 2010



## STRENGTH

- *Membership continue to grow*
- *Still financially stable*
- *SACEA seat on ECSA council*
- *Grow influence on industry and profession*
- *Closer to Heads of Engineering*
- *ECSA registration figures grown (still not sufficient)*
- *Still accredited voluntary association (also threat)*
- *Healthy relations with SACMA*
- *Service on CPD valued (one stop shop) - Technical content still excellent (attendance of sub-committees)*
- *Relationship with DMR transparent*
- *Influenced SANS standards*
- *Visible, successful branded communication*
- *Participation of members up*
- *Successful establishment of Junior Engineers Forum*

## WEAKNESS

## OPPORTUNITY

## THREAT

# SWOT Analysis 2010



## STRENGTH

## WEAKNESS

- *GCC pass-rate. Influence GCC process and system – more efficient model*
- *DMR – conveyer regulations not finalised (Chapter 8)*
- *SACEA attendance of key industry forums (OHSPC)*
- *CM&EE – accreditation/impact in Chamber diluted (bypassed and allowed)*
- *Pipeline into council – diversity, young engineers, delivery of new members, coaching*
- *Slow progress on diversity (membership, council)*
- *Fatal risk standards protocol in industry not delivered as anticipated*
- *Not influencing CEOs/company direction*
- *Relationship with inspectorate not good enough – mines regulatory advising committee*
- *DMR relations outside Mpumalanga not good enough*
- *Consultants good work not visible – feedback not happening (Dirk van Niekerk). Dedicated scope and management.*
- *Membership fees – accuracy of accounting*

## OPPORTUNITY

## THREAT

# SWOT Analysis 2010



## STRENGTH

## WEAKNESS

- *Improve value of Junior/Young engineers input into SACEA*
- *Heads of Engineering – SACEA to move from communication to influencing on collective industry issues (skills, safety on mines and technology, equipment standards)*
  - *Committed delivery from HOEs*
  - *Single industry standard - e.g. through SANS*
    - *Fatal risk protocols*
    - *Single induction standard*
    - *OEM compliance – section 21*
- *Technical contribution to young engineers preparing for GCC*
- *Focus of coal mining industry on infrastructure and environment (Who? and What?, Branding?)*
  - *Routes and coal transportation standards*
- *Consolidating membership of similar organisations?*
- *Link with similar international and regional (Botswana) entities*
- *Industry shared database of accidents/incidents*

## OPPORTUNITY

## THREAT

# SWOT Analysis 2010



## STRENGTH

## WEAKNESS

	<ul style="list-style-type: none"> <li>● <i>Complacency with current performance</i></li> <li>● <i>Not executing influence on GCC and conveyor regulations – will loose reputation with HOE</i> <ul style="list-style-type: none"> <li>● <i>SACEA need to make the issue real and develop action plan</i></li> </ul> </li> <li>● <i>Personality driven agendas and interest in the name of SACEA – reputational risk to us</i></li> <li>● <i>Council members not have the required support from their business managers</i></li> <li>● <i>Over-extending the reach of SACEA on e.g. forums</i></li> <li>● <i>Skills drain due to e.g. not achieving GCC</i></li> <li>● <i>Restructure at Chamber of Secretariat</i></li> <li>● <i>Membership fees – not covering operating cost (strategy decision)</i></li> <li>● <i>Competence of safety officers</i></li> </ul>

## OPPORTUNITY

## THREAT

# *SACEA Mandate and Strategy*

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South African Colliery Engineers Association



**"To be a professional, dynamic, value adding and influential body in our industry"**



# Vision

**To be a professional, dynamic, value-adding and influential body in our industry**

- ❑ **Professional**
  - ❑ In behavior, responsible, competent, respected, beyond repute, ethical,
- ❑ **Dynamic**
  - ❑ Adaptable, energetic, pro-active, flexible, quest for excellence, challenging
- ❑ **Value-adding**
  - ❑ To member and company, leader, participative, to industry, cost sensitive, innovative, standards settings/influence, best practice
- ❑ **Influential body**
  - ❑ Respect, acknowledged, change initiators, recognized, consulting, networking, representative
- ❑ **Industry**
  - ❑ Coal Mining Industry RSA, related Engineering fields
- ❑ **Our sphere of Influence**
  - ❑ **SACEA members and affiliated associations, Chamber of Mines, Government (incl DMR, ECSA, MQA, SANS etc.) labour force, suppliers, learning institutions and the respective Mining Houses**



## ***Mission*** *(Improvements)*

1. To actively influence the development of practical **safety, health and environmental legislation**
2. To **empower members** through effective interaction and to promote professionalism
3. To be acknowledged as the **representative body for members and industry** in influencing formulating policy on decision taking forums
4. To influence and lead the **technical maturity and sustainability** of the coal mining industry
5. To uphold **SHERQ standards**
6. Through competent members **add significant value to our represented parent companies**
7. To have **maximum impact in the Coal industry** through our association with other Professional Associations
8. To positively impact the quality and quantity of **technical skills development**



## ***Accountabilities (role deliverables)***

1. ***Compliance to and improvement of SHERQ standards***
2. ***Advancement and status of Engineering fraternity in Coal Mining Industry***
  1. *Continuous development of professional certificated Engineers through validation and monitoring CPD category 1 activities*
  2. *Uphold the status of the professional certificated engineer*
3. ***Standards setting contribution to:***
  - *legislation w.r.t technology, safety and health issues*
  - *competency standards setting bodies (MQA, ECSA, MRAC, CTC)*
  - *technical committees and associations – result in standards (SANS, SAFA)*
4. ***To deliver membership value and company value***
  - *Share best practices*
  - *Member Commitment/participation*
  - *Structure for Networking*
  - *Have fun*
5. ***Promote active support by Mine and Engineering managers from all Mining Houses***
6. ***Ensure competency of technical and operations personnel w.r.t. machinery/equipment***
7. ***Ensure the adoption of acceptable technology***
8. ***Sound relationship with Government/DME***
9. ***Alignment with relevant professional associations***
10. ***Provide the vehicle that is the mechanism for social/technical interaction between members***
11. ***Facilitate technical discussions between the Coal Engineering fraternity and suppliers***

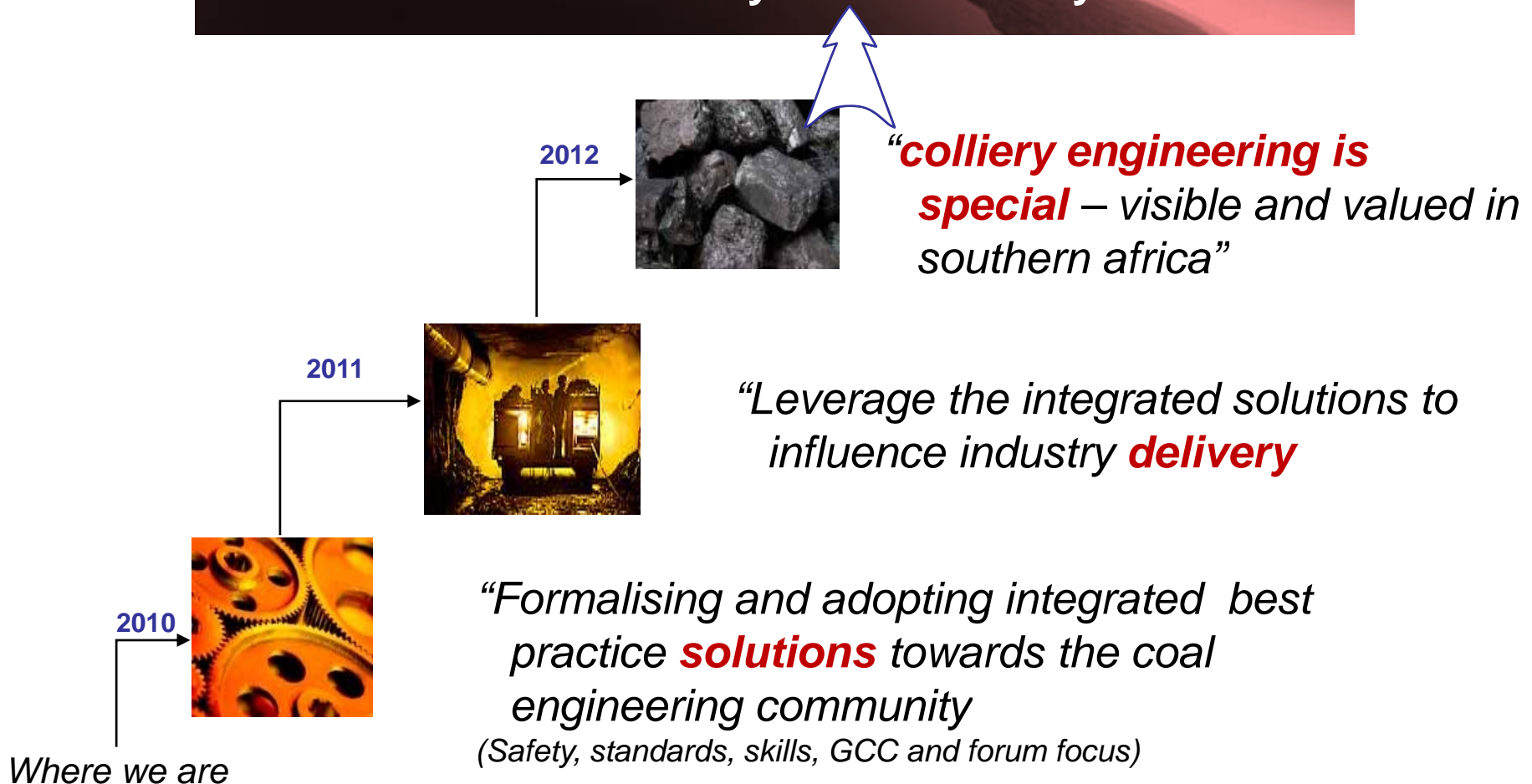


# Strategy 2010 - 2012

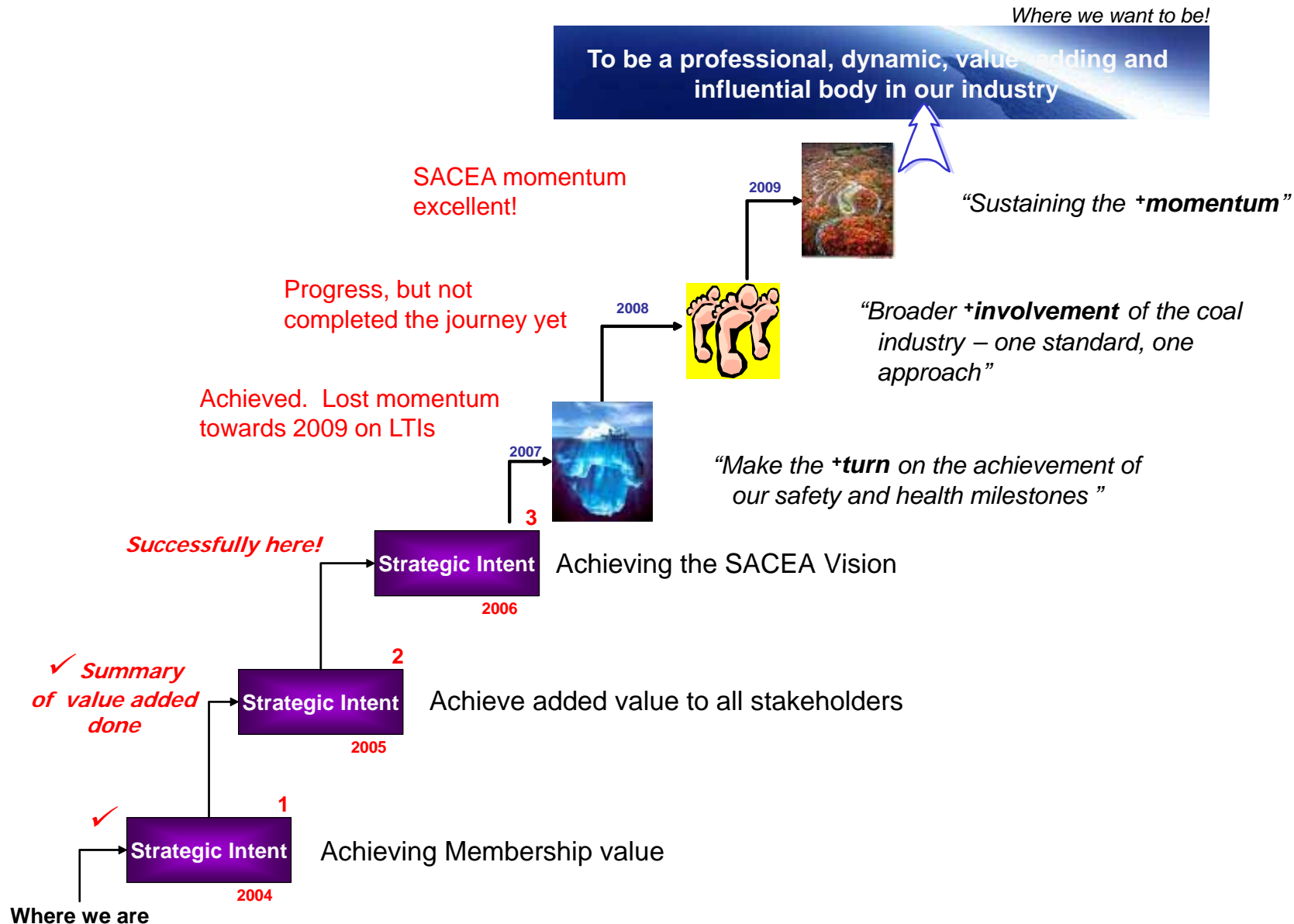


Where we want to be!

To be a professional, dynamic, value-adding and influential body in our industry



# SACEA Strategy Roadmap





## *2010 Strategic Thrust*

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## *Strategic Thrust Compelling us to action in 2010*

1. Higher level **of influence in the Chamber of Mines, SANS, Government Chief Engineer** as vehicles for delivery (sustain influence in MQA, ECSA)
2. Influence and formalise the **GCC process and system** to significantly improve the integrity and pass-rate
3. Committed **HOE that action SACEA solutions** (support and drive agreed common priorities for implementation)
4. **Membership pipeline** to achieve diversity objectives in the Council (including young engineers)
5. Drive **conveyer regulation and fatal risk protocol** to conclusion
6. **Continued delivery** on technical content, ECSA registration, CPD, safety programs, Limpopo region expansion
7. Achieve the SACEA cash reserve objective

*Collate, Influence, Sharing*



## *Technical Themes 2010*

1. Focus guidelines for quarterly meeting presentations
  1. GCC
  2. Technical Excellence
  3. Safety

Principle: Regional Chairman will have final decision based on circumstance and availability of papers when selecting presentations

## *Collate, Influence, Sharing*



# Strategic Objectives 2010

*President to report back on this at AGM*

- Membership                      Was-287, Current – 332  
 Full members – 201, Target @ 10% - 221  
 Student members - 97
- SACEA Diversity                Council improve by 2 members (co-opt)
- ECSA                                Was-54%, Current-62%, Target-70%
- Financial                            SACEA programme fully provides CPD compliance  
 Y-o-Y break even, OPEX for +1 year (R246k) + delta  
 shared cost (R76k)  
 Membership income cover shared cost  
 No audit findings  
 Available funds Dec 2009 - R261k
- Nr of engagements            Calendar compliance
- Attendance %                    Regional >50, User Groups >20, Council > 18
- Influence                            CBE act, Conveyor regulation Reg 8.9 MHSA  
 1 project adopted by MTAC (SHE related)
- Cert Eng Qualification        Guaranteed grand-fathering  
 Improved GCC pass rate > 20%
- Safety                                Standardised Engineering related fatal risk

# Strategic Objectives 2010

President to report back on this at AGM



Objective	Principles	Metric	Actual	Target
Membership	10% increase	Total Full Members Student Members Affiliate Honorary Life	331 201 97 12 21	221
SACEA Diversity	Council improve by 2 members (co-opt)		Achieved 2009	Improve by 1
ECSCA	SACEA program fully provides CPD compliance	Full Members Council	57% (115/201) 66% (12/18)	50% + 1 100%
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Dec 2009 Actual  2010 Objective	R261,000	R322,000
Nr of Engagements	Calendar compliance			
Attendance %	Regional >50, User Groups >20, Council > 18			
Influence		Conveyer regulation GCC process		
Cert Eng Qualification	Guaranteed grand-fathering	Improved GCC pass rate > 20%	2009 = 8%	20%
Safety		Fatal risk standards Web domain?	Contractor transport livery standard established	



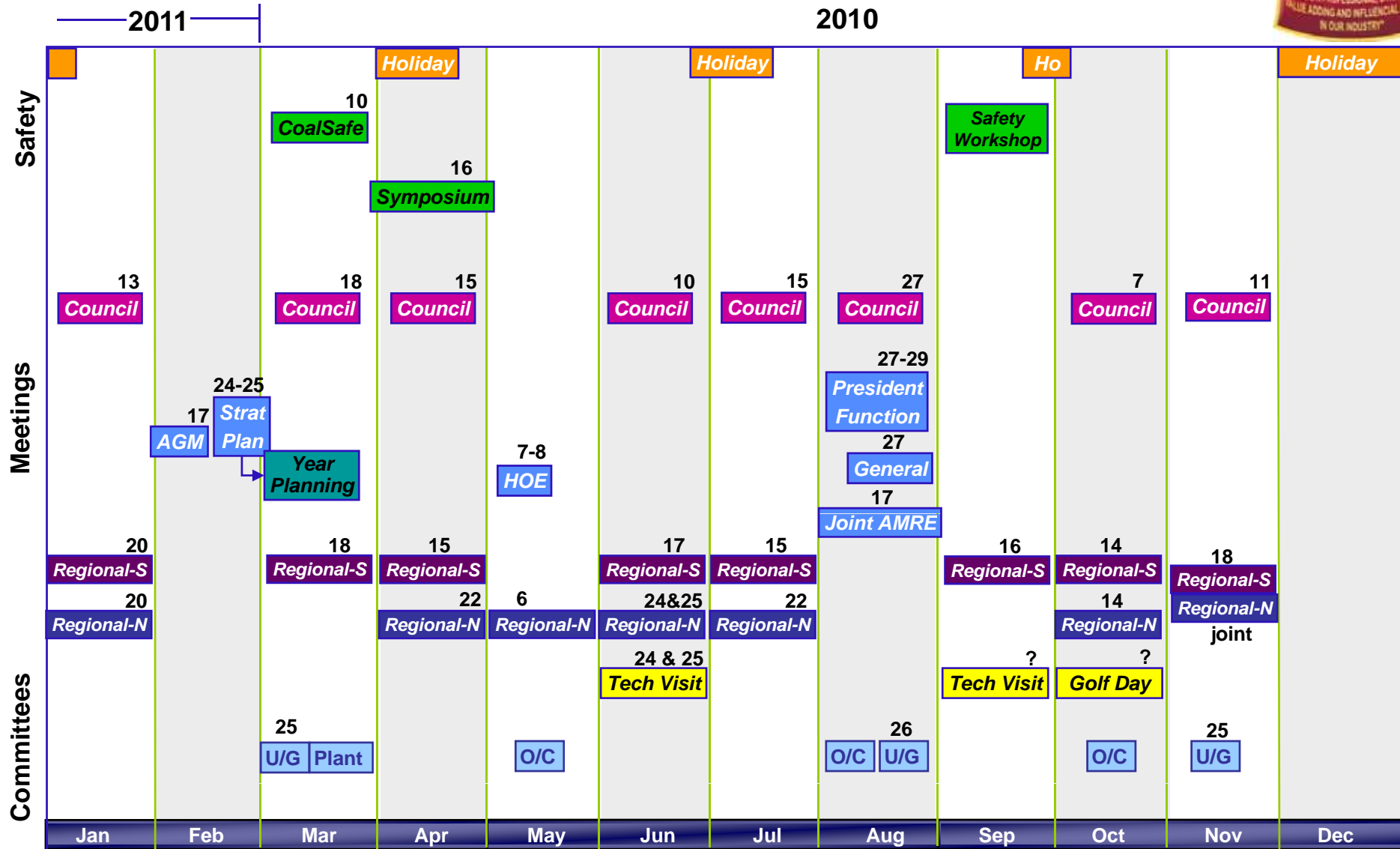
# *Strategic Focus 2010*

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# SACEA Business Cycle: 2010



# *Representatives 2010*



## Mining House Representatives

- ❑ Anglo - Koos, Johnny Coetzee
- ❑ Sasol - Louis Botha, Schalk van Wyk
- ❑ BHP Billiton - Dick, Dick Wardle
- ❑ Exxaro - Louw, Richard Collins
- ❑ Xstrata - Buks, Alan Butcher
- ❑ Mining Contractors - Joe Buckle, Gordon Bruins
- ❑ Service providers - Jacob

# SACEA – Strategic Thrusts 2010 (1)



\* If main representative period will end this year, alternate needs to attend meeting in parallel for last 6 months

## 1 Influencing Policy

### 1.1 DMR interaction

- Liaison meetings
- DMR involved in Regional meetings
- Relationship with GME (Tony)

Dick (MP)  
Stompie (L)  
Koos (KZ)

DOV = Quarterly meetings  
DOV = Conduct 3 meetings/year

President  
Johan Botma

DOV – formal contact and network  
DOV = Conveyer Regulations review to be processed and completed

### 1.2 Chamber of Mines

- OH & SPC (monthly)
- CM & EE (monthly)
- EAC (monthly)

Stompie, (Baltimore)  
Dick, Henk  
Andre, (?)

DOV = Attend 80% of meetings/year  
DOV = Attend 100% of meetings/year  
DOV = formal member of committee

### 1.3 Standards Formulation

- SAFA
- SANS

Henk, (Thys)  
Henk, (Thys)

DOV = Attend 80% of meetings/year  
Action = List of active workgroups & feedback of input into important groups

- Safety FRS

Paul, (Mike T)

Action = Contractor transportation delivery standards

# SACEA – Strategic Thrusts 2010 (2)



## 2 Skills Security

<p>2.1 Young talent</p> <ul style="list-style-type: none"> <li>- Subcommittee for students</li>   <li>- Commissioner of Examiners</li> </ul>	<p>Buks, Andre</p> <p>Koos</p>	<p>DOV = Finalise committee</p> <p>DOV = Create charter for committee</p> <p>DOV = meeting per regional meeting</p> <p>DOV = 2 papers per regional meeting</p> <p>DOV = GCC pass rate &gt; 20%</p> <p>DOV = Influence the process to achieve 20% pass rate.</p> <p>DOV = 8 questions from SACEA per paper</p>
<p>2.2 Professional Status ECSA</p> <ul style="list-style-type: none"> <li>- CPD</li>   <li>- Registration of ECSA membership</li> </ul>	<p>Jacob &amp; Dick</p> <p>Jacob &amp; Dick</p>	<p>DOV = Provision of all CPD point requirements from SACEA (category 1&amp; 3)</p> <p>DOV = 70% Council, 50% +1 Members</p> <p>DOV = Andre, Stompie, Henk, Baltimore</p> <p>DOV = one member per registration committee meeting</p>
<ul style="list-style-type: none"> <li>- Learner Institution Evaluation</li>   <li>2.3 Certified Engineers Qualification</li> <ul style="list-style-type: none"> <li>- MPA Steercom</li> </ul> </ul>	<p>Dick Charl</p> <p>President, (Vice-P)</p>	<p>DOV = Attend 100% of meetings/year</p> <p>DOV = SACEA nominee for Universities</p> <p>DOV = Attend 80% meetings/year (SACEA representative)</p> <p>DOV = Grandfathering of qualifications</p>

# SACEA – Strategic Thrusts 2010 (3)



## 2 Skills Security (2)

### 2.4 Involvement in training structures

- Mining & Minerals Standards Governing Body (monthly)

Andre, (Koos)

DOV = Attend 80% of meetings/year

- CTC (quarterly)

Andre, (Ephraim)

DOV = Management feedback to industry

- MQA Board

Andre

DOV = Get seat and participate on Qualification Body

### 2.5 Chief Foremen qualification

- ECSA level 5 & 6

No SACEA representative  
(Decision 4Q09)

DOV = Each Mining House to launch own requirements

- GCC

Koos, Buks

DOV: Develop an alternative proposal to the current system (workshop)

# SACEA – Strategic Thrusts 2010 (4)



<b>3 Growing footprint</b>		
<p>3.1 Website</p>	<p>Baltimore (Henk, Paul, Stompie, Chamber)</p>	<p>Action = develop proposal for future of SACEA web domain by May 10 DOV = Safety incident shared database that is searchable DOV = No information outstanding longer than 30 days DOV = Number of hits (2917-26/2/10) Action = Tell SACEA success story</p>
<p>3.2 Branding</p>	<p>Louis (Annette)</p>	<p>DOV = Women branded clothing – New tie; DOV = Golf shirt; formal shirt; council DOV = Ensure availability/ accessibility to branded material DOV = Branding material at functions</p>

# SACEA – Strategic Thrusts 2010 (5)



## 3 Growing footprint

3.3 Communication & administration

Simon  
(Louis T)

Action = Newsletter  
DOV = Two safety tips per year  
DOV = Branded annual report  
Action = Agenda, minutes, etc

3.4 Finances & Budgeting

Dick/Jacob  
(Simon)

DOV = Accuracy in accounting system  
  
DOV = Comprehensive Budgeting process and sign-off that support the Strategic Thrusts and will enable achievement of reserve cash objectives  
DOV = align current budget with financial objectives and year plan  
DOV = implement forecasting

# SACEA – Strategic Thrusts 2010 (6)



## 4 Participation & Value

4.1 Heads of Engineering	President	DOV = Reach them all DOV = Feedback from Council by 13 March on what to be discussed DOV = develop graphs on attendance
4.2 Service Providers (OEM suppliers)	Jacob, (Joe)	DOV = Continue engagement forum
4.3 Regional meetings	Lou, Jacob	DOV = 6 meetings per year DOV = Attendance 50 people/meeting (northern region) (2 meetings in Pta for Far North involvement)
	Nominee? (Koos)	DOV = Attendance 25 people/meeting (southern region) DOV = 2 x Technical visits
4.4 User Group Meetings	Stompie, (Baltimore)	DOV = Limpopo region
	Louis T	DOV = 4 meetings/year: plant users 20/meeting
	Buks	DOV = 4 meetings/year: underground 20/meeting
	Guy, (Louis T)	DOV = 4 meetings/year: opencast 20/meeting





## *Ideas for Technical Visits 2010*

- SAA
- Gautrein (2008)
- GrooteGeluk (2009)
- Medupi Power Station
- SAB
- Tugela Pump Scheme
- BMW (2009)
- Platinum Hard Rock Mine
- RBM
- Alusaf (2006)
- Rand Refinery
- Richards Bay Coal Terminal (2009)
- Eskom (2008)
- Barlow World Cat
- Sasol Plant Secunda

# SACEA – Strategic Thrusts 2010 (7)



## 4 Participation & Value (2)

4.5 Small mines

Joe

DOV = Speak to or engage with Certified Engineers at small mines in region; 80% this year

DOV = Growth in small mines attending regional meetings

4.6 Golf Day

Louis

DOV = Profit

4.7 Presidential function

President

Location= Sibaya Casino Lodge

DOV = Venue handle > 90 couples

Match 2009 function, lessons learned

DOV =- Break even (incl budget process)

DOV = High Member attendance

4.8 Recognition & Awards

- Best student
- Gold medal
- Certificate of Merit
- Hon Life Membership

Vice-President,  
Regional Chairs,  
User Group  
Chairs

DOV = Certificates best-of-the-best

DOV = Recognition gift to all presenters

DOV = Tie at membership announcement (incl in Budget)

# SACEA – Strategic Thrusts 2010 (8)



## 5 SACEA Governance

5.1 Financial management	Presidents, Vice-president, Simon	DOV = Formal Budget Process 2010 DOV = Cash Reserve (R322,000)
5.2 Financial Administration	Dick, Jacob	DOV = See previous actions DOV = Clean audit
5.3 Subscriptions	Simon	DOV = Mining House representatives zero outstanding
5.4 Review Constitution	Jacob	DOV = Approve after Council discussion at GM during Presidential
5.5 Code of Conduct (including dress code)	Jacob	DOV = All disciplinary cases resolved Action = Discuss proposal at next Council of 18 March
5.6 Council meetings	President	DOV = 80% attendance (5/year)
5.7 Strategic Session 2011	Dick	DOV = Annually (Plan, Calendar, Budget)
5.8 AGM (senior people = senior engineers & MDs); also invite spouses	Dick 1 <sup>st</sup> Vice-President	DOV = Attended by at least 80 people DOV = Attended by senior people Action – review election process

# SACEA – Strategic Thrusts 2010 (9)



## 6 Technical Excellence

### 6.1 Research input

- SIMRAC
- CoalTech 2020

No SACEA representative

Note: Only keep on radar of SACEA Mining house specific participation  
Action: Invite for presentations to SACEA Regional Meetings

### 6.2 Safety Workshop

Louis B, (Phedzi )

DOV = Attended by 100 people

### 6.3 Technical Symposium

Schalk, (Johan B)

DOV = Attended by 100 people

### Interaction with other associations

- SACMA Council
- Joint meeting with AMRE
- Joint meeting with SACMA

President  
Regional Chair  
Regional Chair

# SACEA – Strategic Thrusts 2010 (10)



## 6 Technical Excellence

SACEA diversity (Membership Pipeline)

Ephraim,  
(Annette)

Action = Define and track SACEA diversity (database)  
DOV = Co-opt 1 additional “diversity” members to council  
Action = Mining House reps identify and coach a diversity member

Limpopon Region

Stompie,  
(Baltimore)

DOV = 1 combined regional meeting 2010  
DOV = 1 council meeting 2010  
Action = Campaign for membership (SACEA & SACMA) and attendance  
DOV = extend membership to surrounding areas