



South African Colliery Engineers Association

Strategy Review 2014

23-25 February 2014







Opening



SACEA Coal Industry Scenarios



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 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

2011

2012

High Profit Industry

Strong average global growth >4%
High coal price

Low Profit Industry

Low growth in the overall global economy: < 3.5% p.a.
Low coal price

2013

2013

Weak Coal Demand

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



Current Status/Issues in the Coal Mining Industry (1)

- Ongoing ownership changes in the industry
 - *Company ownership changing, and/or*
 - *Top levels of companies changing, and/or*
 - *Companies restructuring for “core value chain focus”.*
- Most companies busy with resetting/reducing the cost baseline
 - *Required due to much lower commodity prices (driving income down)*
 - *Weak R/\$/Euro exchange rates increasing cost base of imported equipment, spares and materials*
 - *Higher than inflation labour and energy cost*
- Capital expenditure on hold at various companies
 - *Expansion slow down or on hold*
 - *Maintenance or replacement programmes rescheduled or on hold*
- Widening gap on productivity between RSA and other commodity producing countries (IMF reports)
- Efficiency drive to increase throughput per hour worked or per person produced
 - *Increased drive for mechanisation and automation*
- Increased country/business/political expectation for employment
- Uncertainty resulting from labour unrest
 - *Unpredictable planning and timing of such actions*
 - *Resulting violence and damage (property and people)*



Current Status/Issues in the Coal Mining Industry (2)

- Impact of new labour law (coming into effect in April 2014)
 - *New controls on labour brokers*
 - *6 months temporary employment = considered permanently employable*
 - *Over-time limited to 40 hours*
- Significant improvement on fatalities in the industry over the past 10 years. It is however still not good enough!
- Insufficient experienced and practical skills in the industry
- Poor training (and resulting performance) of the resent labour force available in the industry
- Practicality of managing women in mining
 - *Appropriate procedures*
 - *New ways of working*
 - *“Family” oriented practices*
- Government is demonstrating an understanding of the difficulty of managing business prudence vs unreasonable labour expectations in the last few months
- Electricity remains a key issue:
 - *Electricity availability is a constraint to planned future expansion*
 - *Power-shedding of 10% expected from big consumers*
 - *Unpredictable demand from Eskom on coal supply from mines*

Current Status/Issues in the Coal Mining Industry (summary)



recent developments....

- Ownership changes
- Cost restructuring
- Growth constraints
- Aggressive and unrealistic labour expectations
- Safety drive

2013

...future impact on mining industry

- Coal throughput up on the back of a very large number of small miners operating on diesel power
- Consolidation of big mining houses
- Productivity up – due to lean and mean new cost structures
- Growth of self-sustaining IPP projects
- Coal “heartland” moving both south and north out of Mpumalanga
- New logistics infrastructure rethink
- Fracking lead to cheap available gas in 9 years (~2022) – rethink of green fields new mine



Current Status/Issues in Colliery Engineering (1)

- Constant pressure to improve on safety
 - *Machinery detection and decision making (avoidance)*
 - *Remote or automated control*
 - *It should however be noted that recent cost pressures may delay the progress made on these issues*
- Frustratingly long timelines to achieve licences:
 - *Environmental Impact Assessment*
 - *Air*
 - *Water, etc*
- R/\$ exchange rate directly impacting replacement budgets (not replacing or postponing an activity)
 - *New mines with favourable contracts not yet exposed to this phenomena*
- Community demands on mining is increasing
 - *Want a “job-per-family” in the community*
 - *Want infrastructure development (water, electricity, housing, health, education, roads)*
- Macro-economics (coal price and exchange rate) are impacting on expansion plans, replacements plans and reduced maintenance budgets
- Reduced life cycles in new equipment observed (may be a OEM strategy)
- Better governance required in flame proof equipment arena
- Renewed focus on energy and water intensity (e.g. usage per ton of product produced)



Current Status/Issues in Colliery Engineering (2)

- The positive impact Louis Bezuidenhout had in the relationship with the DMR is missed in the engineering industry
 - *New structures not working yet*
 - *Gap between DMR ↔ industry growing (risk)*
- SACEA will be challenged for “existence” in the short term due to cost and time pressures in the industry
 - *SACEA will need to clearly and unquestionably demonstrate value add = cost x time contributed by members/mines in participating in SACEA activities*
- The number of companies able to deliver mining projects have declined in recent years. This has resulted in an increased cost and time to deliver projects, often at lower quality

Current Status/Issues in Colliery Engineering (summary)



past 6 years....

- Engineering benefit from high coal prices and good engineering budgets
- Period of large replacement programmes
- New mining projects
- Successful SACEA delivery
 - Safety challenges
 - Safety workshops
 - Conveyor belts
 - Coal mining fatalities down
 - 2013 milestones achieved
 - Technical symposiums
 - Nearly 100% membership growth

2013

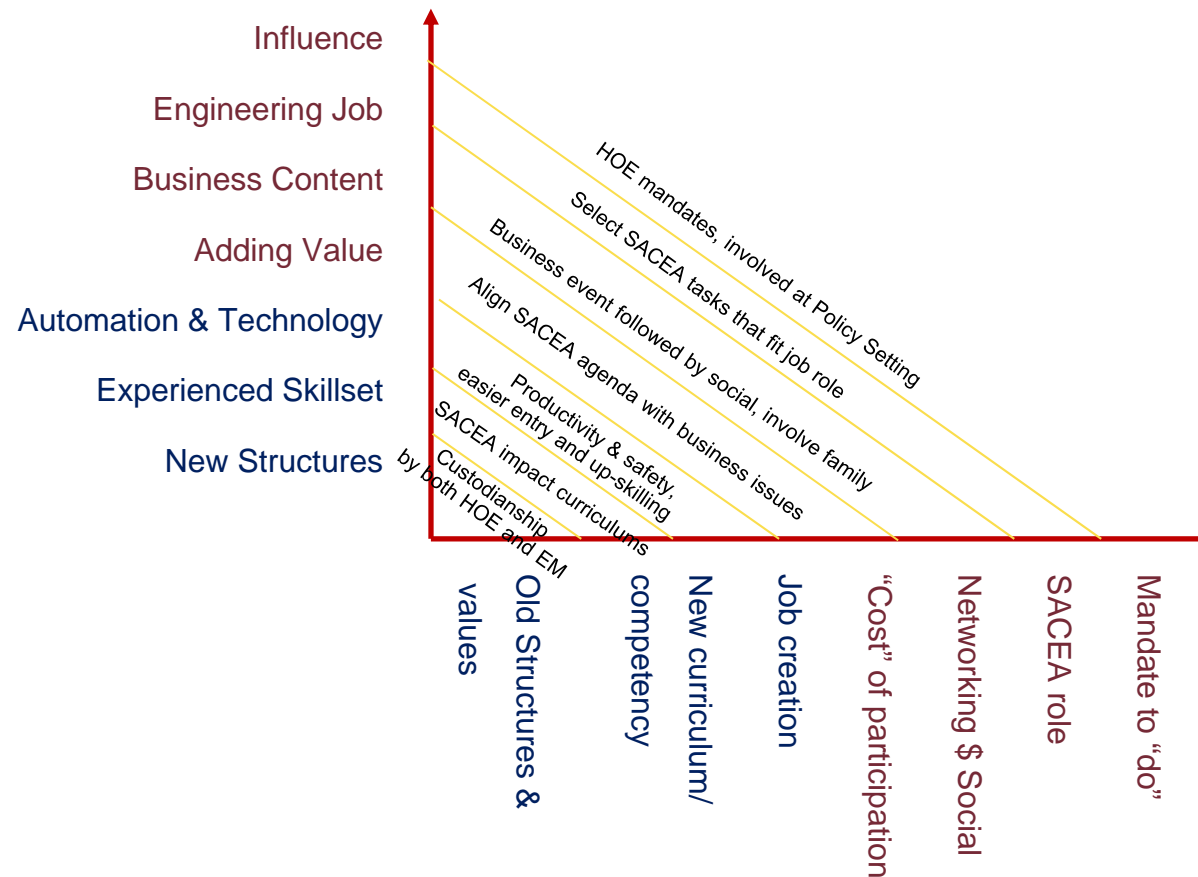
....future very different

- Low coal prices and weak exchange rates result in:
 - Smaller engineering budgets
 - Sweating of assets
 - Less replacements
- Increase productivity = cost x time = must add value
 - Association memberships scrutinised for value
 - SACEA reposition for changing industry
- Higher focus on “made in RSA” to limit exposure to exchange rate
- Safety challenge remains top of the agenda
- Stricter governance on proximity detection and collision avoidance
- New electrical regulations change industry
- Productivity drive results in smaller workforce
- RSA OEMs struggling for existence



The SACEA and Engineering Paradoxes

- These EITHER/OR paradoxes will have to be solved by finding the AND opportunity on the continuum between the two opposing forces





SACEA Performance in 2013

***Reposition SACEA for the changing needs of the mining industry
(GCC qualifications, leading practices and new legislation)***





Heads of Engineering, Engineering Managers & Chief Engineer Feedback

- Due to changing organisational structures, SACEA will focus on Heads of Engineering, Engineering Managers and Chief Engineers going forward to determine it's annual agenda
- HOE interaction created expectation for SACEA delivery
- Key issues/expectations from HOEs
 - *Flameproof repairs (safety) – understanding of rules; governance and enforcement of repairs facilities, articulate formal SACEA view*
 - *TMM COP – structure formal SACEA input (workgroup); guaranteed SACEA input via individual representation of SACEA members*
 - *Electrical regulations – Establish SACEA channel to MRAC forum; achieve mandate from HOEs to formalise SACE view/input; awareness programme; standing point on SACEA agenda*
 - *New standard for variable speed drives (VSD) - Establish SACEA channel to review committee; establish SACEA viewpoint; achieve mandate from HOEs to formalise SACE view/input; awareness programme;*
- SACEA needs to be clear on what will be on the collective SACEA agenda, and what will be on the mine's agenda
- Introduce new technology (e.g. via CoalTech2020) that will bring step changes in productivity, safety and cost (examples: bricketing, conveyor cleaning, stockpile reclaiming)
- General comment: SACEA to coordinate/take leadership to ensure deliver via specialists in companies on key issues



Thrust Review 2013

Thrust 1: Higher level of influence in the Chamber of Mines, SANS, Government Chief Engineer as vehicles for delivery (sustain influence in MQA, ECSA)

What went well?

- Conveyor regulations promulgated – SACEA input given
- Trackless Mobile Machinery (MOSH) leading practice input
- Good presentations from DMR at regional meetings in first half of year

What can we improve on?

- Communication to DMR via Principle Inspector needs to be re-established (Louis role changed). Can be achieved via Senior Machinery Inspector as well
- SACEA actively participate in SACMA grouping meeting with Chief Inspector (Joint SACMA/SACEA effort)
- HOEs questioning participation in ECSA – value addition to be clarified at SACEA regional meeting
- MPA Steering Committee's future uncertain – format may change in future
- Active SACEA input/participation in tripartite regional forums(especially in Limpopo)



Thrust Review 2013

Thrust 2: Influence and formalise the GCC process and system to significantly improve the integrity and pass-rate

What went well?

- Two successful meetings with DMR (GCC workshops)
- Continue with annual workshops (8 May)
- Actively continue to develop questions for papers – on SACEA agenda as reminder. Consider prize for questions included in GCC papers?
- Young talent development under Christine working well
- SACEA/Mining House influence on stage 1 & 2 qualifications

What can we improve on?

- No significant change in pass-rate
- Involvement of SACEA in the revision of Annexure E



Thrust Review 2013

Thrust 3: Committed HOE that action SACEA solutions (support and drive agreed common priorities for implementation)

What went well?

- HOEs supporting our strategy and value addition
- Some mines already took the decision that all engineers with legal appointment as well as engineers in training must belong to SACEA
- High expectation from HOEs for SACEA delivery

What can we improve on?

- SACEA needs to adapt to changing organisational structures
- Include Chief Engineers and Engineering Managers under this thrust
- SACEA needs to get closer to its member base – Section Engineers at mine and Mining Managers
- Regional meeting attendance can still improve (pre-requisite for Presidential function) – should SACEA govern this



Thrust Review 2013

Thrust 4: Membership pipeline to achieve diversity objectives in the Council (including young engineers)

What went well?

- Basically stable membership currently (increased from around ~200 five years ago to 379 currently)
- Great success of candidate members – need to convert to full members
- Regional North meeting – good attendance
- Regional South meeting – representation can increase

What can we improve on?

- Membership declined by 9 to 379.
 - *Full – 196*
 - *Affiliate – 35*
 - *Candidate – 134*
 - *Honorary - 14*
- What is the conversion rate of candidate members to full members (GCC + ECSA registration = Full membership)
 - *We think conversion may not be happening*
- Two Regional meeting and some user group meetings got cancelled
- Aim to have regional meetings before council meetings – prevent clashes



Thrust Review 2013

Thrust 5: Drive conveyer regulation and fatal risk standards (FRS – LDV compliance) to conclusion

What went well?

- Conveyor regulations successfully promulgated
- Opportunity for this to be a joint SACMA – SACEA exercise to achieve success
- **Note – Collieries Committee (via SACMA) decision required to progress!**
- **Note: ~ 30% of time of contractors annually spend on induction and affecting changes between mines (different standards) – does it relate to a 30% increase in cost for all?**

What can we improve on?

- FRS a total failure – SACEA in doubt about the value of this exercise
 - *Initial objective was to create a common view of the standards to enable contractors to achieve compliance across all sites*
 - *Pick-ups were the focus in 2013*
 - *Company standards continue to change*
 - *SACEA needs to review where we are and whether we have a business case to continue with?*
 - *What do we continue with? Are mines aligned on issues or not*
 - *What is the common understanding of FRS (busses and LDVs)?*
 - *What is relationship with TMM COP?*
 - *SACMA direction required?*



Thrust Review 2013

Thrust 6: Continued delivery on technical content, ECSA registration, CPD, safety programs, Limpopo region expansion, technical symposium and exam questions

What went well?

- Roadshow of ECSA registration process well received
- Excellent technical symposium – however support from Collieries could have been better
- Technical content in papers presented good
- CPD contribution good
- Limpopo regional expansion going well – however Tshikondeni will be closing in 2014. Coal of Africa new mine may be stalled.

What can we improve on?

- Remind members about laps of ECSA registration
 - *50% discount if member of SACEA via formal letter*
- Safety Workshop did not happen – influence and income lost
- Desired influence on exam questions not achieved
- Clarify ECSA contribution to industry – roadshow/presentation to regional meetings



Thrust Review 2013

Thrust 7: Achieve the SACEA cash reserve objective

What went well?

- Operational cost = R763,045
- Additional key events cost (Presidential, StratPlan) = R533,402
- Deposit needed for Presidential function = R90,000 (10%)
- Technical symposium deposit = R25,000
- SACEA in a healthy financial position:
 - *Cash available = R243,400*
 - *Accumulated Wealth = R496,805 (cash + fixed + debtors)*
- Cost reduction focus for 2014

What can we improve on?

- **Financial situation under pressure**
- Current cash available not close to target of R500,000
- Outstanding debtors = R176,000 (up by R20,000 membership, symposiums and presidential)
- Marketing of technical symposium to maximise income

- **Note: Additional fund raising initiatives will be required in 2014 to achieve our financing target of R500,000 cash available (1 year key operating reserve)**

SACEA Mandate and Strategy



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**

Relationship Model

Vision vs Strategic Thrusts



- ❑ **Professional**
 1. Higher level **of influence with the HOEs and in the Chamber of Mines, SANS, Government Chief Engineer** as vehicles for delivery (sustain influence in MQA, ECSA, MPA SteerCom)
 2. Influence and direct the **GCC process and competency/ qualification system** to significantly improve the integrity and pass-rate and ensure competence in the industry
- ❑ **Dynamic**
 3. Committed **HOE that action SACEA solutions** base on specific SACEA proposals/recommendations (support and drive agreed common priorities for implementation)
- ❑ **Value-adding**
 4. **Membership pipeline** to achieve diversity objectives in the Council (including young engineers)
- ❑ **Influential body**
 5. Drive and influence **fatal risk protocol, TMM regulations and MOSH PDS leading practice**
- ❑ **Industry**
 6. **Continued delivery** on technical content, technical symposium, ECSA registration, CPD, safety programs, Limpopo and southern region expansion
 7. Achieve the SACEA cash reserve objective



Mission *(Improvements)*

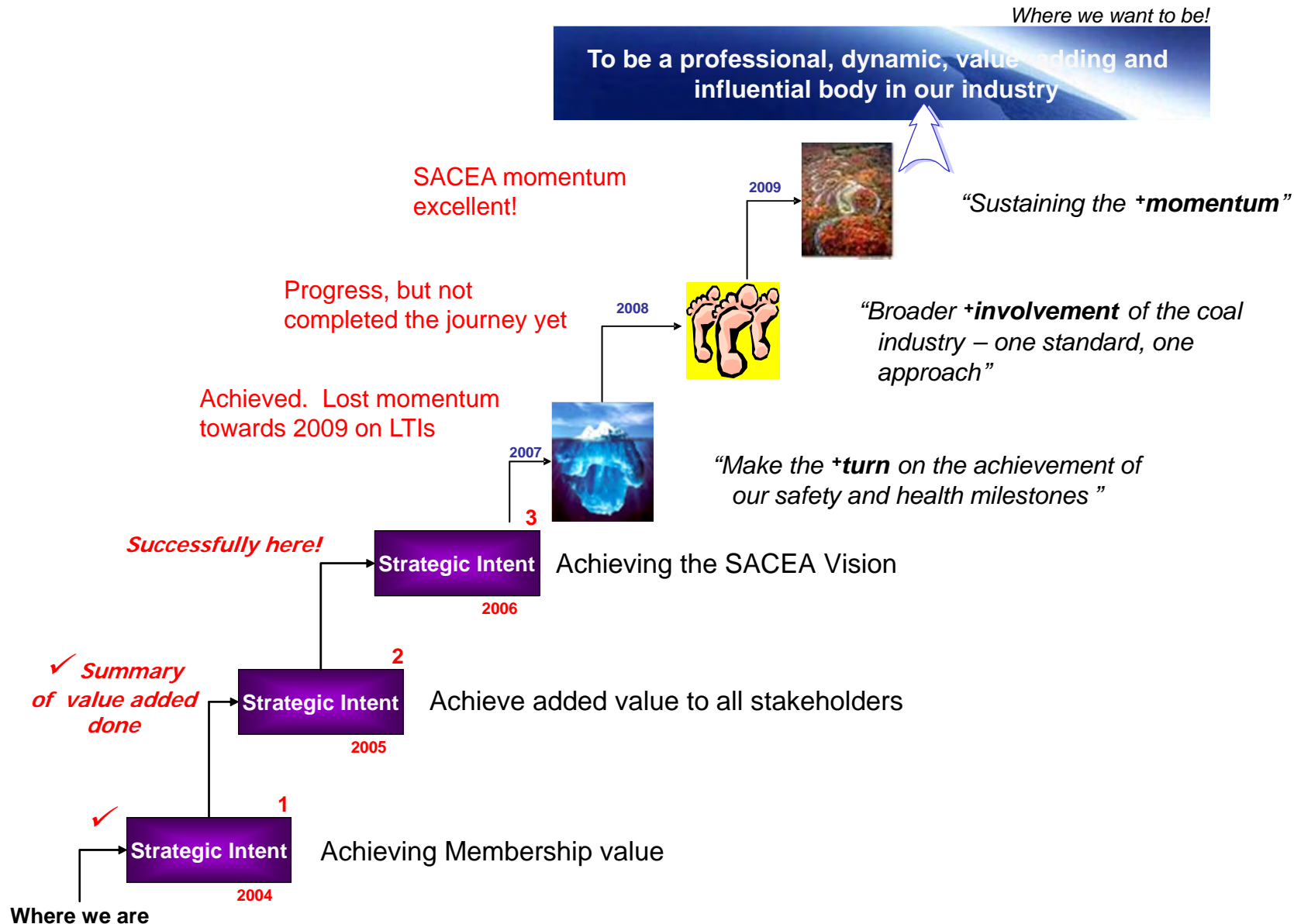
1. To actively influence the development of practical **safety, health, environmental and sustainable development legislation and leading practices**
2. To **empower members** through effective interaction and to promote professionalism
3. To be the acknowledged **representative body for members and 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 comply, uphold and improve **SHERQ & SD 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**
9. To engineer **improved carbon footprints (removed Feb2014)**



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*

SACEA Strategy Roadmap



Strategy 2010 - 2012



Where we want to be!

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



2012



“Colliery Engineering is special – visible and valued in Southern Africa”

2011



“Leverage the integrated solutions to influence responsible industry delivery”

2010



“Formalising and adopting integrated best practice solutions towards the coal engineering community”

(Safety, standards, skills, GCC and forum focus)

Where we are

Strategic Theme 2012

“Colliery Engineering is special – visible and valued in Southern Africa”

Collate, Influence, Share



South African Colliery Engineers Association



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

Strategic Theme 2013

***“Reposition SACEA for the
changing needs of the mining
industry”***

(GCC qualifications, leading practices and new legislation)

Collate, Influence, Share



South African Colliery Engineers Association



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

Strategy 2013 – 2015



Where we want to be!

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



Where we are

Strategic Theme 2014

*“Supporting the Professional
Engineer in a changing
industry”*

(organisational change, cost pressure, reposition)

Value add, Visibility, Influence



South African Colliery Engineers Association



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



2014 Strategic Thrust



Representatives 2014



Mining House Representatives

- ❑ Anglo - Ephraim Mojalefa, (New structure: ?)
- ❑ Sasol - Louis Botha, (HOE: Gary Leibrandt)
- ❑ BECSA - Sibó Buthelezi?, (HOE: Tienie Bleeker)
- ❑ Exxaro - Lou Kilian, (HOE: Adri Conradie)
- ❑ Glencore - Jan Diedericks, (HOE: Fanie de Waal)
- ❑ Other Mines - Joe Buckle, Louis Turvey, Gordon Bruins
(COAL, TOTAL, ACC, ARM, AVENG)
- ❑ Service providers - Joe Buckle

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 Total = 357 ✓
SACEA Diversity	Council improve by 2 members (co-opt)		Achieved 2009	Improve by 1 4 on Council ✓
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 ✓ Satisfied
Nr of Engagements	Calendar compliance			✓
Attendance %	Regional >50, User Groups >20, Council > 18			Council ~ 12 ✓
Influence		Conveyer regulation GCC process		Some progress
Cert Eng Qualification	Guaranteed grand-fathering	Improved GCC pass rate > 20%	2009 = 8%	20% ✓ 35% achieved
Safety		Fatal risk standards Web domain?	Contractor transport livery standard established	50% - Some progress

Objective	Principles	Metric	Actual '10	Target '11
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired *Address Unknown	357 (excl *) 214 108 17 18 1 24	390 Actu Full Can Affil Hon Reti AU:
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	1/17 (5%)	Co-opt 2 diversity (14%)
ECSCA	SACEA program fully provides CPD compliance	Full Members Council	55% (118/214) 82% (14/17)	50% + 1 100%
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Jan11 Available cash 2010 Acc Funds 2011 Cash Objective 2011 Acc Funds	R36,000 R166,000	avg R60,000 R180,000
Nr of Engagements	Calendar compliance			
Attendance nr.	Regional >50, User Groups >20, Council > 18		Council ~ 12/21	Council >14/17
Influence		MHSA regulations GCC process		Constituted Consensus AMRE
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20% In 2010 from 210 that registered, 175 wrote exams, 25% of which coming from large mining houses	2009 = 8% 2010 = 35% Jun Law = 56% Jun Plant = 48% Nov Law = 21% Nov Plant = 18%	Sustain 35%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	Consolidated guide of standards for contractor transport developed	

SACEA Strategic Objectives 2011

22 February 2011

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Objective	Principles	Metric	Target '11	Actual '11
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired *Address Unknown	390 214 108 17 18 1 24	359 191 124 26 19 1 0
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	Co-opt 2 diversity (14%)	Co-opt 2 diversity (14%)
ECSCA	SACEA program fully provides CPD compliance	Full Members Council	50% + 1 100%	72% 90%
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	2011 Cash Objective 2011 Acc Funds	avg R60,000 R180,000	R316,000 R483,000
Nr of Engagements	Calendar compliance			U/G however a concern
Attendance nr.	Regional >50, User Groups >20, Council > 18		Council >14/17	Council Avg 9/19
Influence		MHSA regulations GCC process	Constituted Consensus AMRE	Partial Success
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20% In 2010 from 210 that registered, 175 wrote exams, 25% of which coming from large mining houses	Sustain 35%	Average 2011: 13.3%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	Drafted Nov and circulated for comments	

REVIEW: SACEA Strategic Objectives 2011

22 February 2011

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Objective	Principles	Metric	Actual '11	Target '12
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired	359 191 124 26 19 1	>375 206 130
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	5/19 (26%)	Co-opt 2 diversity
ECSA	SACEA program fully provides CPD compliance	Full Members Council	72% 90%	>70% >90%
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Jan12 Available cash 2011 Acc Funds 2012 Cash Objective 2012 Acc Funds	R316,000 R483,000	avg R60,000 R500,000
Nr of Engagements	Calendar compliance			
Attendance nr.	Regional >50, User Groups >20, Council > 70%		U/G -concern Council ~ 9/19	U/G > 20 Council >15/21
Influence		MHSA regulations GCC process		Constituted Consensus AMRE
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20%	Industry 2009 = 8% 2010 = 35% 2011 = 13.3%	Coal >2011+5%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	HOE sign-off of FRS and implementation	

SACEA Strategic Objectives 2012

Objective	Principles	Metric	Target '12	Actual '12
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired	>375 206 130	388 201 139 30 18 1
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	Co-opt 2 diversity	7/22 (31%)
ECSA	SACEA program fully provides CPD compliance	Full Members Council	>70% >90%	72% >90%
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Jan12 Available cash 2011 Acc Funds 2012 Cash Objective 2012 Acc Funds	avg R60,000 R500,000	R316,000 R483,000 >R500,000 >R800,000
Nr of Engagements	Calendar compliance			Complied
Attendance nr.	Regional >50, User Groups >20, Council > 70%		U/G > 20 Council >15/21	U/G >35, O/C Regional > 45 Plant > 30, PIT>49 Council ~ 11/19
Influence		MHSA regulations GCC process	Constituted Consensus AMRE	Conveyer Non consensus
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20%	Coal >2011+5% = 18%	Plant ~ 24% Law ~ 13% Avg ~ 18%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	HOE sign-off of FRS and implementation	

SACEA Strategic Objectives 2012 review

Objective	Principles	Metric	Actual '12	Target '13
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired	388 201 139 30 18 1	>400 210 150
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	7/22 (31%)	Co-opt 1 diversity
ECSA	SACEA program fully provides CPD compliance	Full Members Council	72% >90%	Retain VA Status
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Jan12 Available cash 2012 Acc Funds 2013 Cash Objective 2013 Acc Funds	>R500,000 >R800,000	Small surplus >R500,000
Nr of Engagements	Calendar compliance			
Attendance nr.	Regional >50, User Groups >20, Council > 70%		U/G >35, O/C Regional > 45 Plant > 30, PIT>49 Council ~ 11/19	U/G >20, O/C>20 Regional > 45 Plant > 20, PIT>40 Council > 15/21
Influence		TMM Workgroup GCC process	NA	Industry feedback 3 year period
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20%	Plant ~ 24% Law ~ 13% Avg ~ 18%	Coal >20%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	HOE sign-off of FRS and implementation	

SACEA Strategic Objectives 2013

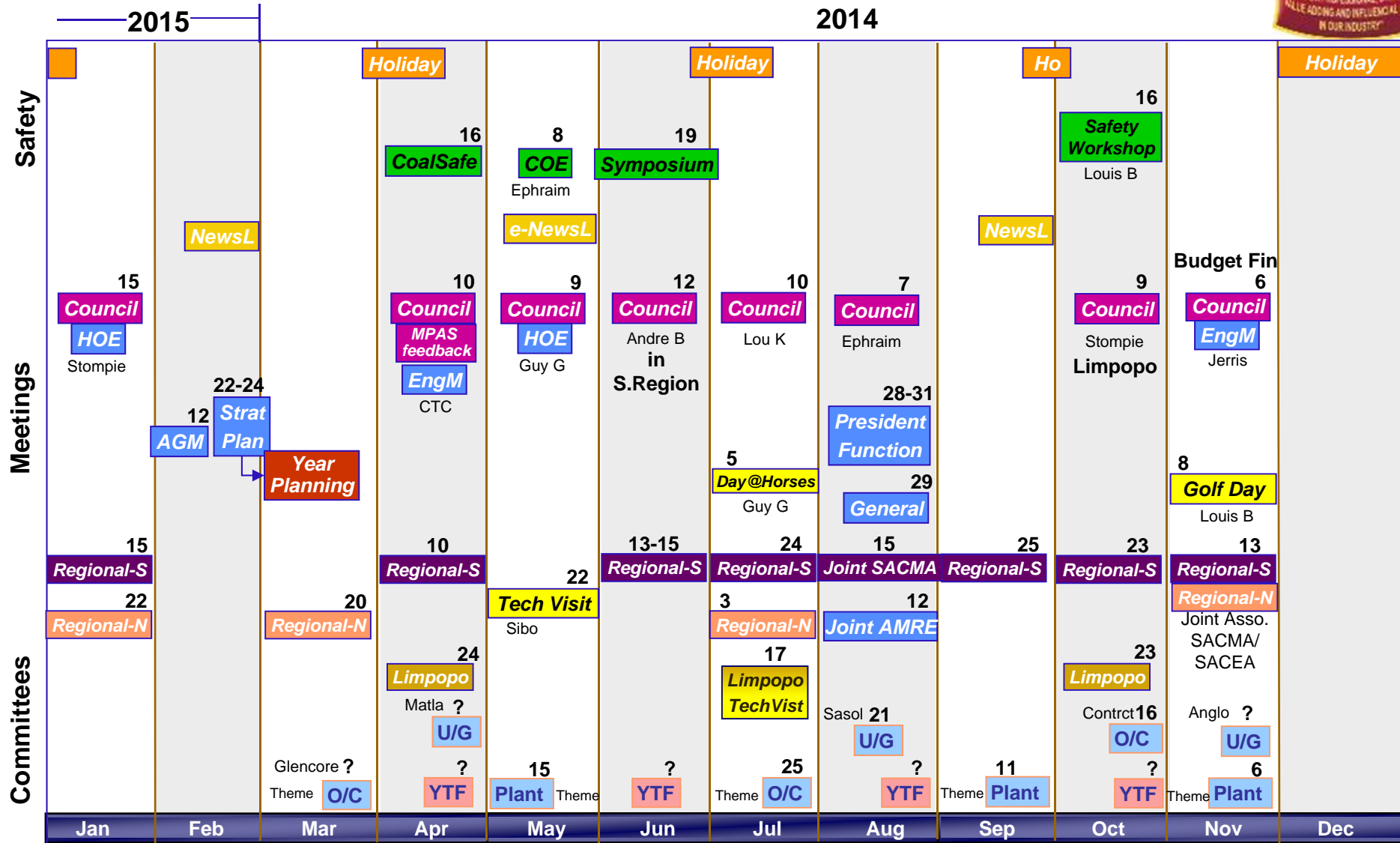
Objective	Principles	Metric	Target '13	Actual '13
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired	>400 210 150	379 196 134
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	Co-opt 1 diversity	Co-opt 1 diversity
ECSCA	SACEA program fully provides CPD compliance	Full Members Council	Retain VA Status	Retain VA Status
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Jan12 Available cash 2012 Acc Funds 2013 Cash Objective 2013 Acc Funds	Small surplus >R500,000	R243,400
Nr of Engagements	Calendar compliance			No (no safety workshop)
Attendance nr.	Regional >50, User Groups >20, Council > 70%		U/G >20, O/C>20 Regional > 45 Plant > 20, PIT>40 Council > 15/21	U/G >40, O/C>20 Regional > 45 Plant > 20, PIT>40 Council > 15/21
Influence		TMM Workgroup GCC process	Industry feedback 3 year period	Industry feedback 3 year period
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20%	Coal >20%	Coal ~ 23%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	HOE sign-off of FRS and implementation	

SACEA Strategic Objectives 2013

Objective	Principles	Metric	Actual '13	Target '14
Membership	10% increase	Total Full Members Candidate Members Affiliate Honorary Life Retired	379 196 134 35 14 1	>400 210 150
SACEA Diversity	Council representative of membership	Co-opt 4 (21 max on council)	Co-opt 1 diversity	Co-opt 1 diversity
ECSA	SACEA program fully provides CPD compliance	Full Members Council	Retain VA Status	Retain VA Status (50% member, 70% council)
Financial	Y-o-Y break even, OPEX for +1 year + delta shared cost Membership income = shared cost No audit findings	Jan12 Available cash 2012 Acc Funds 2013 Cash Objective 2013 Acc Funds	R243,400	Small surplus >R500,000
Nr of Engagements	Calendar compliance			
Attendance nr.	Regional >50, User Groups >20, Council > 70%		U/G >20, O/C>20 Regional > 45 Plant > 20, PIT>40 Council > 15/21	U/G >20, O/C>20 Regional > 20, S=5 Plant > 20, PIT>20 Council > 15/21
Influence		TMM Workgroup GCC process	Industry feedback 3 year period	Industry feedback 3 year period
Cert Eng Qualification <i>(increase pool for coal industry)</i>	Guaranteed grand-fathering Ensure safe mining industry and competency	Improved GCC pass rate > 20%	Coal = 23%	Coal >20%
Safety	Ensure safe mining industry via aligned/agreed standards	Fatal risk standards	?	

SACEA Strategic Objectives 2014

SACEA Business Cycle: 2014





2014 Strategic Thrust



Strategic Thrust Compelling us to action in 2013



1. Higher level **of influence with the HOEs and in the Chamber of Mines, SANS, Government Chief Engineer** as vehicles for delivery (sustain influence in MQA, ECSA, MPA SteerCom)
2. Influence and direct the **GCC process and competency/ qualification system** to significantly improve the integrity and pass-rate and ensure competence in the industry
3. Committed **HOE that action SACEA solutions** base on specific SACEA proposals/recommendations (support and drive agreed common priorities for implementation)
4. **Membership pipeline** to achieve diversity objectives in the Council (including young engineers)
5. Drive and influence **fatal risk protocol, TMM regulations and MOSH PDS leading practice**
6. **Continued delivery** on technical content, technical symposium, ECSA registration, CPD, safety programs, Limpopo and southern region expansion
7. Achieve the SACEA cash reserve objective

Value add, Visibility, Influence

Strategic Thrust Compelling us to action in 2014



Thrust	MUST deliverables for 2014
Influence with the HOEs and in the Chamber of Mines, SANS, Government Chief Engineer	<ol style="list-style-type: none"> 1. Implement Engineering Managers bi-annual meeting (Guy) 2. Rebuild relationship with regional Principle Inspector, or else Senior Machinery inspectors (Guy, Job, Sibon, Eric) 3. Establish lines of communication between MRAC and SACEA (Guy)
GCC process and competency/ qualification system	<ol style="list-style-type: none"> 4. Involvement of PITs in Young Talent Forums (Louis Delpont with Darryl Christie) 5. Submission of questions for papers (Ephraim) 6. Involvement in Annexure E review (Ephraim)
HOE/EM that action SACEA solutions	<ol style="list-style-type: none"> 7. Commitment of HOE/EM to support SACEA in the Mining Houses (Guy) 8. Provide SACEA with key issues to focus on – get involved (Mining Representatives)
Membership pipeline	<ol style="list-style-type: none"> 9. Identify and ensure that candidate members are converted to full members (Agenda) 10. Develop a business case for alternative membership model (Louis, Mike)
Fatal risk protocol, TMM regulations and MOSH PDS leading practice	<ol style="list-style-type: none"> 11. Get decision from Colliery Committee to continue or not with LDVs (Guy) 12. Approved Test Labs agree to scoring and issuing standards for repair and manufacturing of flameproof equipment (Henk with Louis) 13. Coordinated SACEA member input on TMM regulations (Jan with Stompie)
Technical, ECSA registration, CPD, safety programs	<ol style="list-style-type: none"> 14. Successful 2014 Safety Workshop (Lead: Christine with Louis) 15. Successful 2014 Technical Symposium (Mike with Guy) 16. Conduct the “value contribution of ECSA” roadshow (Aldine with Jerris, Johnny)
SACEA Cash Reserve	<ol style="list-style-type: none"> 17. Available cash > R500,000 (Louis B) 18. Live within available budget (be clever, cost prudent) (Guy)



Strategic Focus 2014












SACEA – Strategic Thrusts 2013

KPI 1: DMR, Industry and Regulations

DMR Interaction and Industry Representation

Objective: Pro-active facilitate safer working environment via effective interfacing and alignment

Strategy Actions	Date	Target/DOV	Feedback
1. Caretaker of the DMR relationship. Ensure information on latest events and regulatory changes (President) 	Monthly	<ul style="list-style-type: none"> TMM developments PDS developments/collision avoidance Suspension of Mine Managers Tickets – reasons, direction, interpretation changes Collision avoidance system news 	
2. DMR participation in SACEA activities(President) 	Monthly	<ul style="list-style-type: none"> Invite DMR employees to relevant activities 	
3. Organise for DMR operational report to be presented at regional meetings by DMR representative (Sibu, Eric, Job)   	Monthly	<ul style="list-style-type: none"> DMR Operational report presentation per regional meeting 	
4. Finalise key regulations: <ul style="list-style-type: none"> - Electrical regulation (Henk) - TMM (Jan) - Railway Safety Reg (Ephraim) 	Ad hoc	<ul style="list-style-type: none"> Confirm regulations currently open for review (Jan) Coordinate and ensure input Evaluate outcome and implement 	 

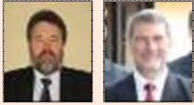


SACEA – Strategic Thrusts 2013

KPI 1: DMR, Industry and Regulations

Industry Representation

Objective: Influence development of industry policy

Strategy Actions	Date	Target/DOV	Feedback
5. DMR (Guy, Stompie) 		<ul style="list-style-type: none"> • Rebuild relationship with regional Principle Inspector (Guy MP, Stompie, L), • Continue Tri-Partite meetings 	









SACEA – Strategic Thrusts 2013

KPI2: Skills Security

Professionalism and Competency

Objective: Ensure a constant pipeline of competent engineers into the industry



Strategy Actions	Date	Target/DOV	Feedback
1. SACEA communication liaison with the MPA Steercom (Stompie, LouisB)  	Monthly	<ul style="list-style-type: none"> Annual feedback from MPAS Steercom at SACEA Council meeting after strategy planning in February (President) 	
2. Annexure E (Ephraim) 	Quarterly	<ul style="list-style-type: none"> Review Annexure E (Ephraim), Step up relationship with Tony Coutinho and discuss Annexure E if required 	
3. Junior Engineer structure to leverage from Regional Meetings (LouisD in mentor role for all PIT, Darryl –L, ???? - MP)  	Monthly	<ul style="list-style-type: none"> Identify PIT by region to execute initiative Review Junior Engineer representative per Mining House – possible co-opt to SACEA (rotating chair annually) Discuss COPs at Networking sessions for Junior Engineers Increase candidate success 	
4. Questions for GCC exam (Ephraim) 	Bi-annually	<ul style="list-style-type: none"> 2 questions from each Mining House Company Representatives to drive Mining House submissions 	



SACEA – Strategic Thrusts 2013

KPI2: Skills Security

Professionalism and Competency, Influential in the Industry
 Objective: Ensure a constant pipeline of competent engineers into the industry

Strategy Actions	Date	Target/DOV	Feedback
5. ECSA relationship (Jerris, Aldine, Johnny) 	Ongoing	<ul style="list-style-type: none"> • Preparation discussion with ECSA on issues – Guy, Aldine • Organise a roadshow to enable ECSA to present to SACEA members the “value of ECSA” <ul style="list-style-type: none"> • 1st to Council • Then to members • Clarify ECSA exclusion from Council for Build Environment • Clarify SACEA future in relationship to ECSA - on conclusion, make recommendation to HOE re ECSA future 	
6. ECSA Administration (Aldine, Johnny) <ul style="list-style-type: none"> • ECSA Pr Cert registration committee • Administer SACEA CPD points 	Monthly Monthly	<ul style="list-style-type: none"> • Aldine and Johnny to attend 100% of meetings 	





SACEA – Strategic Thrusts 2013

KPI2: Skills Security

Professionalism and Competency

Objective: Ensure a constant pipeline of competent engineers into the industry



Strategy Actions	Date	Target/DOV	Feedback
7. MQA (Louis T, Alt - Lou) <ul style="list-style-type: none"> • Mining & Minerals Standards Governing Body • MQA Board Meetings • Stage1&2 (Ephraim) 	Monthly	<ul style="list-style-type: none"> • Dirk can be a content advisor to the SACEA representative • Attend 80% off all meetings and to provide feedback to SACEA 	
8. CTC (Joe, Alt– Theuns Hamman) <ul style="list-style-type: none"> • CTC Committee of Management • CTC regional meeting feedback  <div style="display: inline-block; vertical-align: middle; margin-left: 5px;"> Theuns Hamman </div>	Quarterly Quarterly Regional	<ul style="list-style-type: none"> • Represent and attend • Ensure that Johan Venter (MD CTC) has agenda point at regional meetings for feedback 	



SACEA – Strategic Thrusts 2013

KPI3: Committed HOE/EM

Professionalism and Competency, Dynamic Organisation
 Objective: Committed HOEs that action SACEA solutions



Strategy Actions	Date	Target/DOV	Feedback
1. President discussion with HOE (Guy) 	Jan, May	<ul style="list-style-type: none"> • Fact sheet of SACEA contribution (recent past) and focus for 2014 • Clarify the views on ECSA - and relationship to CPD points (facts base) • At SACMA StratPlan – notify of SACEA initiative involving EMs (Guy) • SACEA on the agenda of Engineering Forums • Mining House representative to give feedback • Monthly hymn-sheet after council meeting to HOEs and SACEA members 	
2. Company representative engagement with HOEs 	Yearly	Company representatives to actively engage HOE throughout the year on feedback, attendance trends <ul style="list-style-type: none"> • Drive attendance of sub-committee forums • Attendance numbers made available per Mining House for all forums and discussed with HOE • Potential vs actual membership numbers 	



SACEA – Strategic Thrusts 2013

KPI3: Committed HOE/EM

Professionalism and Competency, Dynamic Organisation
 Objective: Committed HOEs that action SACEA solutions

Strategy Actions	Date	Target/DOV	Feedback
3. President discussion with EMs(Guy, Company Reps: Ephraim, Jan, Louis, Sibon, Lou, Joe)  	Apr, Nov	<ul style="list-style-type: none"> • Organisation of EM meeting (• Formal agenda and invitation from President for Apr meeting to be delivered by Company representatives (mid-Mar) • Apr meeting(s) with EMs/CE– <ul style="list-style-type: none"> • StratPlan feedback clear statement of what SACEA needs from EMs • Support for meetings/user groups • Debate around what EMs need • Achieve involvement of EMs in SACEA activities • Encourage Engineering Managers (or subordinates) to registered with SACEA • SACEA on the agenda of Engineering Forums 	
4. Administration of EM's (Simon, Company Reps)	Mar	<ul style="list-style-type: none"> • Compile EM mailing list • Monthly hymn-sheet after council meeting to Ems (Company Reps) 	






SACEA – Strategic Thrusts 2013

KPI5: Safety & Standards

Participation and Value Addition in the Industry

Objective: Drive and influence fatal risk protocol, TMM regulations and MOSH PDS leading practice





Strategy Actions	Date	Target/DOV	Feedback
1. Facilitate working groups to develop best practices (for) (U/G – Jacques M, Plant – Jan, O/C – Clayton) 	Ongoing	<ul style="list-style-type: none"> • PDS - O/C and U/G user forums • FRS - (Guy) • MOSH adoption – Jerris • Flame Proof – Henk • TMM – Jan • Electrical Regulations - Henk 	FRS - Get decision from Colliery Committee to continue or not with LDVs (Guy)
2. EMESRT/Equivalent?(Mike) 	Ongoing	<ul style="list-style-type: none"> • Future involvement to be reconsidered 	<ul style="list-style-type: none"> • Anglo only entity still participating – considering future involvement
3. Safety Workshop (Louis, Christine) 	Oct 2014	<ul style="list-style-type: none"> • Share leading safety best practices to influence safety statistics 	



SACEA – Strategic Thrusts 2013

KPI6: To Influence Policy

Chamber of Mines, Industry representation, Technical content
 Objective: Influence development of industry policy

Strategy Actions	Date	Target/DOV	Feedback
1. Attend OH&SPC meetings (Jan), (Alt – Clayton) 	Bi-Monthly	<ul style="list-style-type: none"> Attend 80% of meetings and give feedback to Council Distribute industry proposals and coordinate feedback into OH&SPC 	
2. Attend CM & EE meetings (Joe) 	Bi-Monthly	<ul style="list-style-type: none"> Attend 80% of meetings and give feedback to Council Distribute industry proposals and coordinate feedback into CM&EE Ensure that Tony Coutinho forwards all statutory amendments/proposals to forum 	
3. MOSH Adoption (Jerris) 	Monthly	<ul style="list-style-type: none"> MOSH feedback at every regional meeting 	
4. MPA Steercom (Stompie, LouisT) 	Bi-monthly	<ul style="list-style-type: none"> Review SACEA continued support of MPA Ensure MPAS execute SACEA mandate Achieve alignment on GCC between SACEA/SACMA and MPAS 	





SACEA – Strategic Thrusts 2013

KPI6: To Influence Policy



Standards Formulation

Objective: Influence development of industry policy

Strategy Actions	Date	Target/DOV	Feedback
5. SANS TC 65 review/formulation (Henk & Aldine) 	Monthly	<ul style="list-style-type: none"> • SANS 1515 (Henk) • SANS 868 (Henk) (On Hold) • SANS 1934 (Aldine) • SANS VSD (Henk) • Link to standards on Website 	Technical Symposium - presentations on impact of published standards Note: Agenda Points for EMs
6. SANS TC 82 (Mining Machinery) review/formulation (Johnny?) 	Bi-Monthly	<ul style="list-style-type: none"> • SANS 1623 (chains and attachments) • SANS 1624 (chains and attachments) 	Clarify current status
7. SANS TC 66 (cables) review/formulation (Clayton) 	Monthly	<ul style="list-style-type: none"> • Clayton to become member of TC 66 Workgroup, • SANS nomination form to be completed and submitted 	
8. SAFA review/formulation (Henk), (Alt – LouisB) 	Monthly	<ul style="list-style-type: none"> • Attend 100% of meetings and give feedback to Council 	



SACEA – Strategic Thrusts 2013

KPI6: To Influence Policy

Chamber of Mines, Industry representation, Technical content
 Objective: Influence development of industry policy

Strategy Actions	Date	Target/DOV	Feedback
9. BeltCon & SafeCon (Lou) <div data-bbox="701 823 792 927" style="text-align: center;"> </div>	Ad Hoc	<ul style="list-style-type: none"> • President to write formal letter to request Lou represent SACEA at meetings • Attend 80% of meetings and give feedback to Council • Distribute industry proposals and coordinate feedback into BeltCon & SAfeCon 	





SACEA – Strategic Thrusts 2013

KPI6: Technical Content Delivery

Participation and Value, Influential Industry Representation

Objective: Continued delivery on technical content, ECSA registration, CPD, safety programs, Limpopo region expansion

Strategy Actions	Date	Target/DOV	Feedback
9. CPD administration		<ul style="list-style-type: none"> • Own submissions to ECSA 	
10. Limpopo Region expansion (Job) 		<ul style="list-style-type: none"> • Increase participation in Limpopo region and sustain current momentum • Combined SACEA and SACMA meetings 	
11. Technical Symposium (Mike, Guy, Jerris) 	19 June	<ul style="list-style-type: none"> • Full day Technical Symposium - need 13 presentations! (2 from each Mining House) 	<ul style="list-style-type: none"> • 2 presentations will be from Henk and Aldine on standards




SACEA – Strategic Thrusts 2013

KPI7: Financial Sustainability



Participation and Value

Objective: Achieve the SACEA cash reserve objective

Strategy Actions	Date	Target/DOV	Feedback
1. Cash Management (President) 	Ongoing	<ul style="list-style-type: none"> Recover financial position to minimum of R500,000 – two year exercise Reduce spend – Presidential function, 	<ul style="list-style-type: none"> Membership fees Golf Day Technical Symposium Safety Workshop GCC Workshops? Standards Workshops? Day@Horses
2. Debtor Management (Louis B-Process, Company Representatives) 	Quarterly	<ul style="list-style-type: none"> Sustain current momentum 	Quarterly MPAS feedback
3. GCC at small/micro mines (Joe, Henk) 	Project	<ul style="list-style-type: none"> Study to understand facts and scale of the challenge SACEA way forward will be based on the report Organise SACEA workshop for these mines? 	<ul style="list-style-type: none"> Mines not necessarily register Nor have appointed/ticketed engineers Concept of “roving engineer” between mines












SACEA – Strategic Thrusts 2013

KPI7: Viable Organisation

Participation and Value

Objective: Achieve the SACEA cash reserve objective

Strategy Actions	Date	Target/DOV	Feedback
1. Hymn Sheet (Ephraim, Alt-Christine)  	Monthly	<ul style="list-style-type: none"> • Appoint person/role on SACEA to ensure Hymn-sheet is done • Out within 5 days after Council meeting (by Tuesday) • Simon will distribute to all members • Company Rep will discuss Hymn-sheet with HOE • Agenda point on Engineering Forums 	Ephraim to develop framework based on meeting: <ul style="list-style-type: none"> • Membership • Safety • Qualifications • Standards • Heads-up • Events
2. Newsletter (Christine, Alt-Ephraim)	Semester	<ul style="list-style-type: none"> • After Presidential (hard copy) • After AGM (soft copy) 	 
3. Website (Guy – process and appointment by end Mar) 	Monthly	<ul style="list-style-type: none"> • 3rd party will be appointed to manage updating of website via open quote 	If we are going to keep it, we need to do better!
4. Membership of SACEA – best model (Louis, Mike)  	Project – 9 May Council	<ul style="list-style-type: none"> • Mining Reps to get list of all engineers at Mining House • Study and develop rational and business case 	<ul style="list-style-type: none"> • Risk -Mining Houses downscaling • Corporate vs individual membership • Step change in membership
5. Constitution review (Andre, President)  	At Presidential Function	<ul style="list-style-type: none"> • President will manage process • Changes to be tabled at Presidential Function 	



SACEA Management 2014

Profile





Paul



Jan



LouisT



Mike



Lou



Sibu



Johnny



Andre



Stompie



Henk



Wouter



Guy



Aldine



Christine



Ephraim



Job



Jerris



Phedzi

Phedzi



Joe



Jacob



Clayton



LouisB