



Ons beskerm ons mense - We protect our people

DEVELOPMENTS REGARDING AURORA AND GROOTVLEI AND ORKNEY MINES


PORTFOLIO COMMITTEE ON MINERAL RESOURCES - 28 OCTOBER 2011

GIDEON DU PLESSIS – SOLIDARITY



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The header features a complex geometric design on the left side, composed of overlapping squares and hexagons in shades of orange, yellow, and green. A solid green horizontal bar spans the width of the page, containing the text 'Ons beskerm ons mense - We protect our people' in a white, sans-serif font. The background of the slide is white.

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Response to presentations made by Aurora and Mr Enver Motala



Response to Aurora

- Aurora did not pay outstanding salaries
- Aurora did not relocate the pump station
- Destruction of the mining assets by contractors continued after the Portfolio Committee hearing




Questions?

- What happened to the DWA subsidies that were paid over to Aurora?
- What is the status of the directive on water pollution issued by the DWA?
- What happened to the millions of rand generated through the mines?




Response to Mr Motala

- Misleading announcement regarding Shandong transaction
- Failed to prove fellow liquidators supported his presentation and comments
- Further misleading evidence:
 - Solidarity supported Aurora
 - Financial support from unions
 - Employee termination proposal
 - Enquiry into Pamodzi liquidation

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Developments since 13 April 2011



Wish list on 13 April 2011

- Enver Motala to be removed as liquidator ✓
- Aurora to be removed from mines ✓
- Investigation into Aurora's conduct ✓
- Political support for battle against Aurora ✓
- Open mine shafts to be covered ✓






Further developments

Remaining liquidators:

- Regular and open communication with unions
- Massive looting of mines came to an end
- Kaunda Global Mining - provisional liquidation
- Aurora Empowerment Systems' final liquidation

“I am not aware of the liquidation. We have moved on and have other business interests now”. - Mr Zondwa Mandela Beeld/News24, 5 October 2011



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Investigation into Aurora's conduct



Investigation

- Aurora directors and consultants (Bhanas) summonsed to testify in insolvency enquiry
- Clear evidence: Aurora had no intention to mine
- Request for SARS investigation
- Insolvency enquiry - Kaunda liquidation:
 - Pension fund deductions
 - Theft of other statutory deductions
 - Payment of outstanding salaries





Bankrupt Aurora loses bid to overturn final liquidation order

SHEREE BEGA

AURORA Empowerment Systems yesterday lost a last-minute bid to overturn its final liquidation order, but the controversial company vowed it would still "consummate" a deal to restart operations at the collapsed Grootvlei mine in Springs.

Yesterday, advocates acting for Aurora – run by relatives of

former President Nelson Mandela and President Jacob Zuma – brought an urgent application before the South Gauteng High Court.

But their application was struck from the roll. "The court declared it did not comply with court rules and could not prove the urgency of their application," said Gideon du Plessis, deputy secretary-general of

trade union Solidarity which is representing unpaid workers. "This despite the fact they used two advocates. Interesting that a liquidated company can afford the services of senior counsel."

Aurora was liquidated earlier this month when the North Gauteng High Court ratified the R9 million liquidation application of Copper Eagle, that served as contractors for Aurora. The

company still owes millions in unpaid wages to mine workers at Grootvlei – which has been stripped of its assets – and Orkney in the Free State.

Du Plessis said Aurora's application showed a blatant lack of credibility.

"They denied they were making the application and then made it through the back door. If for some unforeseen

reason they come out of the liquidation, we will serve them with a R4.6m claim for outstanding salaries."


But Aurora spokesman Thulani Ngubani said Solidarity's legal attempts to recoup outstanding salaries owed to workers "are a waste of ink and paper".

"Solidarity is speaking emotionally there's (a lot of) emotion about these things."

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Joint initiative: Unions and Chamber of Mines



Collective agreement

- Mining houses to communicate vacancies to Solidarity and the NUM
- Mining houses and MQA to provide training
- Statement: concerns and future prevention
- Master of the High Court – investigate conduct and role of liquidators
- Develop and communicate matrix of legislative steps and actions to be taken during liquidation
- Future – jointly lobby government departments
- MIGDETT agenda - DMR to take control in case of future occurrence

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Status of the former Aurora employees



Plight of workers

- Desperate and permanent damage
- Loss of 50% of Pamodzi pension money
- DOL – UIF payment and legal action for non-compliance with court order
- Severance packages not paid
- Negotiations with prospective buyers
- Solidarity Movement: Ongoing feeding schemes
- Solidarity Movement: entrepreneurship training








THULI

12/10/2011



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Lessons learned

OWNERSHIP

“Mineral Resources Minister Susan Shabangu described the appointment of Aurora’s inexperienced directors to manage Pamodzi as a way in which local mining regulation was being undermined. Adding that they had no clue of the mining industry and as a result had undermined regulatory issues. “I want to urge companies that we need people with an interest in mining,” she added.

(Business Report, 4 August 2011)



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA





PREVENTION



- Ownership should not be controversial
- Owners should have a vested interest in growth and development of the mining industry
- Aurora debacle must remain an isolated incident
- Proactive and decisive steps in future
- Liquidators should act in the best interest of workers and the mining industry



WAY FORWARD

- Aurora and consultants must pay for destruction:
 - Destroyed thousands of jobs and lives (5,300)
 - Enriched themselves at the expense of workers
 - Human rights violation and total disregard for prevailing labour and mining legislation
 - Destroyed reputation of mining industry
 - Acted as if they were untouchable
- Portfolio Committee must retain this watchdog role until process has been finalised
- Fast-track regulatory process for new owners

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Solidariteit
Solidarity