

**SPEECH NOTES**

**FOR**

**MR M G DILIZA**

**AT THE**

**119<sup>TH</sup> ANNUAL GENERAL MEETING**

**OF THE**

**CHAMBER OF MINES**

**ON**

**TUESDAY 3 NOVEMBER 2009**

**(AGM SPEECH NUMBER TWO)**

Good morning once again ladies and gentlemen. I would like to join our President, Mr Sipho Nkosi, in extending thanks to the Honourable Minister for her keynote address. We are all most grateful to you Minister for making time available to be with us at this auspicious occasion.

I call it auspicious, ladies and gentlemen, because it is the 119<sup>th</sup> Annual General Meeting of the Chamber of Mines. What this means is that the Chamber this year became 120 years old. The official birthday was on the fifth of last month. It was on that day in October 1889 that the Witwatersrand Chamber of Mines, our Chamber's first and eminent predecessor, was founded in Johannesburg.

Its first President was Hermann Ekstein, one of the most prominent Witwatersrand "Randlords" and a pioneer of what soon was to become the world's most influential and pre-eminent gold mining industry. To this day, the Witwatersrand Basin remains a geological phenomenon which was the repository of the most extensive quantities of gold known to mankind.

Present day members of the Chamber will be interested to know that the annual membership subscription fee of the original Chamber was about two guineas – less than five rand converted to modern currency denominations.

The history of the Chamber is inseparable from the history of Johannesburg and both have been as dynamic as they have been colourful. Most of the Chamber's

founding fathers were entrepreneurial movers and shakers whose uninhibited vision structured the foundations of a city that rapidly developed into the world's biggest metropolis not located on the coast, or on the banks of a major river.

The fact that the Chamber has survived for so long – there are no more than a handful of South African business organisations that can lay claim to a similar period of longevity – can be attributed to the capacity that it has always shown to adapt to the changing demands in its operational environment. In this sense it has always taken guidance and direction from the highest ranking executive representatives of its member companies who throughout the Chamber's history, and to this day, have been leaders in South Africa's commercial and industrial arena.

The most compelling example of this versatility – and it is just one of many – was the one that took place in the aftermath of our country's first democratic election in 1994. When the dust settled in the final throes of the 1990s it was evident that the Chamber, as a lobbying and advocacy agency for the mining sector, was in urgent need of extracting radically revised mandates from its members particularly on proposals contained in the minerals and mining policy White Paper published towards the end of 1998. The White Paper identified Government's intention to alter the existing system of private mineral rights ownership and place custodianship of mineral rights in the hands of the State.

At the time there was strong mining industry resistance to the mineral rights proposal and engagements with Government were often hostile and conducted in an environment of overwhelming mistrust. Rightly or wrongly, the Chamber was regarded as an organisation that had been supportive of the apartheid regime and the perceived reluctance to accept change compounded this belief. Thanks to the wisdom and pragmatism at the time of Bobby Godsell, Chamber members were persuaded to accept what amounted to a most fundamental change in the way the industry would be legislated and in mid 2002 the Mineral and Petroleum Resources Development Act – which incorporated the new mineral and mining rights custodianship provisions – was approved by Parliament.

To increase the acceptability and the effectiveness of the Chamber as a lobbying and advocacy organisation there was also a need quite quickly to change the demographic profile of the Chamber so that it could gain legitimacy as an institution committed to Government's major policy imperative of transformation. This was a strategy that was achieved without major disruption and in a manner that gave consideration to preserving essential professional capacity.

Ladies and gentlemen I am relating this small piece of Chamber history because I believe that as we move closer to the upcoming Mining Charter Review process and involvement in Government's Medium Term Strategic Framework, there almost certainly will be a need for most careful consideration of the way that the

Chamber conducts its business. An introspective process of this nature may well show that fundamental changes are required or that different human resource skills should be recruited.

As an absolute priority, it must be made certain that the Chamber continues to function as an organisation that takes only the united perspectives of its members into stakeholder lobbying engagements and, when necessary, the public arena. Failure to do so will endanger the effectiveness of the Chamber and pose a threat to its ongoing existence. On issues of common significance it is imperative that the Chamber be used by its members to speak with one unambiguous, mining industry voice. This is the only way that the best collective interests of the industry will be protected and improved.

There are some additional issues that are relevant in the context of the points I have just raised and, with the assistance of my senior colleagues, I will be giving them priority attention in the remaining period that I will be spending as Chief Executive of the Chamber. As reported in the media last Friday, I was due to retire at the end of June 2009. In consultation with the Chamber's President and the Executive Council, there was mutual agreement that my tenure should be extended to the end of June 2010.

While I am with the Chamber until the agreed retirement date it is my intention, and my hope, that I will be able to add value to the industry's participation in

issues that still need resolution with Government and organised labour in particular. I had involvement in the original Mining Charter deliberations and will carry that experience into the review process which we all know is now imminent. The search for my successor is underway and on the understanding that the preferred candidate will soon be identified, I will be well positioned to participate constructively in the necessary hand-over procedures.

After a great deal of discussion and considerable persuasive exertion, I have managed to convince Mr Siphon Nkosi, the man who has led the Chamber with such exceptional levels of dignity and competence over the last two years, to stay on as President of the Chamber. It seems to me that with the mining industry, as represented by the Chamber, being on the cusp of so many major developments that it would be senseless to lose the continuity and well established insight that Mr Nkosi is able to bring to the Chamber's primary business activities. He also enjoys the respect of senior members of Government and business community captains. His ongoing leadership of the Chamber in 2010 will be of great value in the demanding times that lie ahead.

Ladies and gentlemen before I call on Mr Nkosi to come forward and present his Annual Presidential Review - this being the last AGM I shall be attending as the Chief Executive of the Chamber of Mines - I wish thank the Chamber and members of the Executive Council for giving me the honour and the privilege, not only to lead an institution of substance, but also an opportunity to self actualise. I

also want to extend my heartfelt thanks to my loyal and devoted staff at all levels. None of the Chamber's notable achievements would have been possible over my almost 12 years in the organisation without the many sacrifices and adjustments made by all of them, but especially my senior staff. It is indeed a pleasure and again a privilege to lead such a dedicated team of professionals.

It is now my great pleasure ladies and gentlemen to call upon Mr Nkosi to come forward and present his Annual Presidential Review.