

MINISTER'S INVESTIGATION INTO AURORA COMPLETED

Written by Pieter Groenewald
Tuesday, 07 December 2010 11:58 -

MEDIA RELEASE

SUBJECT : MINISTER'S INVESTIGATION INTO AURORA COMPLETED

ISSUED BY : Mr. Pieter Groenewald

CAPACITY : FF Plus MP and Provincial Leader: Northwest

DATE : 7 December 2010

The previous minister of Labour, Mr. Membathisi Mdladlana's investigation into the Aurora mining company due to the fact that no payments had been received by his department for unemployment insurance, has been completed. This follows after Mr. Pieter Groenewald, Parliamentary Member and leader of the Freedom Front Plus in the Northwest, had in April asked a Parliamentary question about this issue. In his reply to a follow-up question of Mr. Groenewald the minister announced that the department of Labour had obtained two court orders against Aurora. The first court order was on 27 August 2010 and the other one on the 1

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November 2010.

According to the first court order Aurora had to pay salaries and bonuses which were in arrears to the amount of R10, 705 million (R10 704 311-18) to workers. These were bonuses for December 2009 and salaries for March, April, May, June and July 2010. Aurora then paid 100% of the salaries of maintenance personnel for August and only 68% for July. The second order was then obtained to force the Aurora mining company to pay the shortages on the first court order. Aurora undertook to make the outstanding payments no later than 30 November 2010.

“Upon an enquiry made today the workers of especially Orkney have still not received their salaries. The owners of Aurora should be arrested for contempt of court. The owners have an arrogant and defying attitude and hold the legal system of South Africa in contempt and through this also the department of Labour. The minister and ANC always make a huge stink about farmers who do not pay their workers a minimum wage, but Aurora does not pay their workers at all. The ANC is very quiet about this and it is clear why as the owners have family ties with president Zuma. The Freedom Front Plus will not leave it here and will be laying charges with the Police,” Mr. Pieter Groenewald (MP), Provincial Leader of the Freedom Front Plus in the Northwest says.

PIETER GROENEWALD (MP)

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REPLY FROM MINISTER TO PARLIAMENTARY QUESTION

NATIONAL ASSEMBLY - PARLIAMENTARY QUESTION NO: 3340 (NW4173E)

Mr P J Groenewald (FF Plus) to ask the Minister of Labour:†

(1) With reference to the reply to question 1237 on 28 April 2010, what progress has been made with the investigation into the Aurora Mining Company's failure to pay over unemployment insurance contributions;

(2) whether the department has investigated the company's failure to pay salaries to workers; if not, why not; if so, what was the result of the investigation;

(3) whether she will make a statement on the matter? NW4173E

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MINISTER OF LABOUR RESPONSE:

(1) Yes, the Department did undertake investigations at Grootvlei Springs Mine in terms of Section 69 of the Basic Conditions of Employment Act (BCEA) of 1997 after receiving a complaint of unpaid wages by Aurora Mining Company employees. Managerial staff earning above the threshold were excluded in terms of Section 70 of the BCEA.

(2) The investigation revealed the following:

2.1 Aurora was registered with the Department of Labour's Unemployment Insurance Fund on 09 April 2010, registration number 1978806. Details of 1589 workers were obtained.

2.2 The Springs Labour Centre reported AURORA to the local SARS office for further investigation on tax related matters.

2.3 A compliance order was issued based on the Aurora Grootvlei Mine VIP Payroll obtained

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on 27 August 2010 which indicated that a total of 1307 workers were owed bonus for December 2009 and salaries for March, April, May, June, and July 2010. The breakdown is as follows:

Ø Dec'09, 40% outstanding □ Bonus amounts to □ R316520.60 for 2180 employees

Ø Mar'10, 100% owed in Salaries & Wages amounts to R 5456716.45 for 2413 employees

Ø Apr'10, 100% owed in Wages & □ Salaries amounts to R1416273.84 for 105 employees

Ø May'10, 61% owed in Wages & Salaries amounts to R 809350.08 for 101 employees

Ø Jun'10, 100% owed in □ Wages & Salaries amounts to R1413597.72 for 102 employees

Ø Jul'10, 100% owed in Wages & Salaries amounts to R1291852.49 □ for 139 employees

2.4 The company made payments as follows:

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Ø 100% of August salaries to Care and Maintenance employees as well as 68% of July salaries.

2.5. On 07 October 2010, the Department of Labour served an amended compliance order on the employer to pay outstanding salaries within 7 days as follows:

Ø **R204 112.50 for Aug 2010 as the employer paid R193 743.40. (Short payment R 10369.10)**

Ø **R300 435.30 for July 2010 as the employer paid R122 601.20(Short payment R177834.10)**

Ø **R456 994.04 for June 2010 as the employer paid R55 994.15 (Short payment R400 999.89)**

Ø **R196 461.80 for May 2010 as the employer paid R51 207.34 (Short payment R145 254.46)**

Ø **December 2009 Bonus, March and April 2010 wages as nothing was paid towards the claims of these months.**

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2.6 On the 1st November 2010, the compliance order was made an order of court in the Labour Court of South Africa, case no 5472,5619/10RA wherein Aurora agreed to effect all outstanding payments owing to employees on 30th November 2010.

2.7 Layoff letters will be issued to non active employees to enable them to apply for employment insurance benefit.

2.8 Foreign nationals wishing to go back home voluntarily will be provided with free transport.

2.9 Employees residing at the employers accommodation will be given a period of one month notice to vacate such accommodation.

2.10 Care and maintenance workers will be paid regularly.

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2.11 The balance of outstanding wages will be transferred to the Department of Labour to assist in tracing and paying employees that are not traceable.

3. No