

KGALAGADI RELIEF TRUST: ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2018

1) INTRODUCTION

A total of R4 514 248 was paid to 22 KRT claimants in the financial year, compared to R4 731 413 paid to 28 claimants in the previous financial year.

The benefits paid during the financial year ended February 2018 included an inflation-based increase of 6.5%.

As at end February 2018, a total of R99 907 546 had been paid by the trust to 1 454 claimants. Funds available to meet operating costs and for the payment of future claims amounted to R58 221 806.

Taking into account the funds available to pay future claims, a statistical review of the Trust's projected beneficiary pay-outs, and the need to ensure the financial sustainability of the Trust to 2026, the Trustees decided to increase the schedule of benefits by 6,5% inflation plus a one-off escalation of 15%, effective 1 March 2018.

The trustees are anticipating an average 12-14 successful ARD4 (mesothelioma) claims a year for the remaining life of the trust. ARD4 claims paid have been slightly higher than anticipated over the past two years but are expected to reduce to projected levels over the remaining life of the trust.

2) CLAIM STATISTICS FOR THE FINANCIAL YEAR

a) Grant Applications Received

A total of 15 new grant applications (claims)¹ were received by the trust in the financial year, compared to 29 in the previous year. Of these, 12 were for occupational exposure and three for environmental exposure.

b) Claims Paid by Category

Of the 22 claimants paid in the financial year, 16 were ARD4 claimants, compared to 20 for the previous year. Ten of the ARD4 claims paid were for environmental exposure. ARD4 claims accounted for 89% of the benefits paid in the financial year.

Compensation Category ²	Number of Claims Paid	Amount paid
ARD1	3	R79 262
ARD2	1	R82 195
ARD3	2	R347 295
ARD4	16	R4 005 496
	22	R4 514 248

c) Claims Evolution

Of the 22 claimants compensated during the financial year, two had previously lodged a claim with the KRT. Their medical certification changed on receipt of new information as follows:

Previous Medical Certification	New Medical Certification	Number of Claims	Amount paid
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¹This figure excludes claims received from beneficiaries who previously applied and either did not qualify to receive a grant or, were compensated for asbestosis and subsequently developed a compensable asbestos related cancer and qualify to receive a second grant.

² ARD1 = Asbestos dust disease (pneumoconiosis) with moderate lung function impairment; ARD2 = Asbestos dust disease (pneumoconiosis) with severe lung function impairment; ARD3 = Asbestos related lung cancer; ARD4 = Mesothelioma.

ARD1	ARD4	2	R309 170
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3) SOCIAL PROJECTS

As allowed by the Trust Deed, the KRT spent R486 126 out of interest earned on a number of social projects in the 2017/18 financial year.

Some of the projects were in collaboration with the ART. This included support for:

- The Asbestos Interest Group (AIG), which does important outreach and claims handling work for the trust;
- The Cancer Charity Workers (CCW) in Kuruman;
- The Kuruman Palliative Care Project; and
- Workshops in the greater Kuruman area aimed at improving the ARD diagnostic ability of medical health professionals;

In honour of our former colleague and trustee, the trust has started an investigation into the possible establishment of the “Phiroshaw Camay Virtual Asbestos Library” in collaboration with the National Institute for Occupational Health (NIOH). This will be a publically-accessible online library of Southern African literature concerned with asbestos.

Mindful of the tragic consequences of environmental asbestos exposure in schools in the so-called “Asbestos Belt”, the trustees have launched a project to gather all relevant information as the first step towards launching an advocacy programme for the rehabilitation of contaminated schools. A preliminary desk assessment has revealed the massive scale of the challenge.

4) FINANCIAL RESULTS

Annual expenditure, including claims management expenses, increased by 11% to R1 484 003 (compared to R1 317 219 in the previous financial year). The increase of R166 784 in costs was attributable mainly to a 7% increase in the standard administration fees charged by the Asbestos Relief Trust (ART).

The ART has requested that the Service Level Agreement between the two trusts should be re-negotiated and it is likely that the increase for the 2019/20 financial year will be greater than the rate of inflation.

Trust income on cash balances and on investments increased by 4% to R6 381 119 (compared R6 126 977 in the previous year).

I record my gratitude to towards my fellow trustees, Dr Markus Heitz and Richard Spoor, who have provided steady and wise counsel. We are also indebted to the ART trustees, management and medical team for their diligence. We are all bound by the constraints of the respective trust deeds but at all times strive to assist the victims for whom the trusts were established.

Brian Gibson

Chairman